United Nations E/2002/15

Economic and Social Council

Distr.: General
6 May 2002

Original: English

Substantive session of 2002
New York, 1-26 July 2002
Item 10 of the provisional agenda*
Regional cooperation

Regional cooperation in the economic, social and related fields

Report of the Secretary-General**

Summary

The present report updates the Economic and Social Council on actions undertaken by the regional commissions during the period under review with respect to the guidance given in annex III of Council resolution 1998/46 of 31 July 1998. Among the several issues, a review of preparatory and follow-up activities to world conferences and other major events implemented during the period between the Council's substantive sessions of 2001 and 2002 is contained in addendum 1 (E/2002/15/Add.1); a review of the regional commissions' cooperation with other regional bodies is contained in addendum 2 (E/2002/15/Add.2); and the resolutions and decisions adopted by the regional commissions during spring 2002 that require action by the Council or are brought to its attention are contained in addendum 3 (E/2002/15/Add.3). In addition, in accordance with Council decision 2002/204 of 13 February 2002, the report explores in section II the theme for the regional cooperation item at the Council's substantive session of 2002, which is "Interregional cooperation for sustainable development: regional challenges ahead". Finally, in accordance with General Assembly resolution 1823 (XVII) and Council resolution 1817 (LV), the report of the Executive Secretaries, which focuses on the regional perspectives on financing for development and other areas of concern to the regional commissions, is contained in section IV.

* E/2002/100 and Add.1.

** The document was submitted late to the conference services owing to the need for extensive consultations.

02-37341 (E) 200602

The summaries of the economic surveys of the five regions have been made available to the Economic and Social Council (see E/2002/16-20). The annual reports of the regional commissions are provided as background information, as they contain issues relevant to the subject matter that is addressed in the report and its addenda. They are issued as supplements to the *Official Records of the Economic and Social Council*.

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Introduction

1. Since the adoption of Economic and Social Council resolution 1998/46 entitled "Further measures for the restructuring and revitalization of the United Nations in the economic, social and related fields", annex III of which concerns the reform of the regional commissions, the report of the Secretary-General on regional cooperation has attempted to engage the Council in a dialogue with the Executive Secretaries on the dual role of the commissions as "outposts of the United Nations" and "the regional expression of the Organization in their respective regions". The Council for its part has encouraged this dialogue. Beginning with its substantive session of 2001, the informal dialogue between Member States and the Executive Secretaries has been set to concentrate on the theme chosen by the Council for interregional cooperation. In 2001, the informal discussions focused on regional perspectives on globalization. In 2002, they will focus on interregional cooperation for sustainable development and the regional challenges ahead.

2. During the formal consideration of the regional cooperation item by the Council, Member States often raise questions on the economic and social situation in the regions and on the policy advice contained in the summaries of the regional surveys on emerging and/or persistent development issues and how the regional perspectives contribute to the global dialogue on the related issues. The activities of the regional commissions are also reviewed at times within the compass of the overall activities of the United Nations in the economic and social sectors. While this constitutes a definite improvement in the substantive interaction between the Council and the Executive Secretaries, the Council may wish to further review developments, including the response of the commissions and their partners within the United Nations system to the requests contained in resolution 1998/46, annex III, and may wish to explore further with the Executive Secretaries such issues as:

- How well the regional perspectives contribute to global dialogue on development issues;
- The extent of effective cooperation between the regional commissions and the United Nations funds and programmes, especially the United Nations Development Programme (UNDP) with regard to its regional and subregional activities;
- In light of the need to provide coherent support at the regional level to the implementation of the millennium development goals, whether there is a need for further measures to strengthen the regional coordination meetings while maintaining their practical structures as at present;
- Whether achieving strong collaboration between the commissions and non-United Nations regional and subregional organizations requires more cohesive mandates emanating from their respective intergovernmental bodies.

3. In light of the contribution that the regional commissions can make to conflict prevention and post-conflict reconstruction, particularly inasmuch as they have a mandate to strengthen the economic and social development of their member States and to warn of any imminent threats in this regard, it would seem necessary that their analyses and policy recommendations be utilized not only by the United Nations but also by partner regional organizations active in the area of conflict prevention and post-conflict reconstruction and development. In addition, the commissions can provide technical assistance for reconstruction based on development strategies that are accepted by Governments and civil society. These are among the issues that have been raised in the report of the Executive Secretaries contained in section IV of the present report.

I. Recent developments, including follow-up to Economic and Social Council resolution 1998/46

4. Given their dual role, the regional commissions are able to bring global concerns to their respective regions and regional perspectives to global debates.

A. The regional commissions as the regional expression of the United Nations

1. Significant substantive issues discussed at the commissions' sessions or at other forums in 2002, in light of emerging regional issues and priorities and as regional follow-up to the United Nations Millennium Declaration

5. Globalization is leading to a widening gap between rich and poor in nearly all nations and between the least and the most developed countries. Yet globalization also generates important opportunities and gains as long as conditions are met to make it an engine for development. Against the background of risks of seclusion from the development process and against threats to stability and security, the commissions are fully engaged in developing regional perspectives on these issues. These are well illustrated in the recent regional debates organized by the commissions.

Economic Commission for Europe (ECE)

6. The Economic Commission for Europe (ECE) addressed two major cross-cutting issues of strategic relevance in relation to the need to better focus and adjust the ongoing activities in the programme of work in the light of the United Nations Millennium Declaration commitments:[1] (a) the labour-market challenges in the ECE region; and (b) the economic aspects of security in Europe.

7. The issues of employment and social policy have many relevant linkages with the priorities and activities of ECE and its Principal Subsidiary Bodies (PSBs). On the demand side, industrial restructuring, financing for development, enterprise development, and economic reforms are closely linked to the effectiveness of labour-market arrangements and social policies. ECE intends to focus more in the future on the social aspects of transition, including the need to address the increasing inequalities and poverty, particularly in the weaker economies in transition. On the supply side, sociodemographic change has had a remarkable impact on the economies and societies of ECE countries. The issues of ageing in Western Europe and the transition economies have been widely discussed. ECE will hold a Ministerial Conference on Ageing in Berlin in September 2002, in which there will be defined a regional strategy for implementation of the international plan of action on ageing, 2002, decided in Madrid at the Second World Assembly on Ageing.

8. The discussion at the annual session involved the major organizations active in this area at the regional level, particularly the International Labour Organization (ILO), the European Commission, the Organisation for Economic Cooperation and Development (OECD), the World Bank, UNDP and the International Organization for Migration (IOM). Coordination and cooperation between ECE and these other organizations are crucial to the effective delivery of policy results in line with what was envisaged and resolved at the Millennium Summit. The state of coordination was reviewed and analysed with strong inputs and guidance coming from member countries.

9. The discussion also aimed at identifying concrete cases of best practices and useful policy lessons to be learned from the various country experiences in the region. Also interesting was the significant experience that has been drawn from the countries in transition that find themselves at an advanced stage of the process of accession to the European Union (EU), such as Poland, Hungary and the Czech Republic. The question of how to transfer know-how and assist the countries in the troubled regions of South-Eastern Europe, or the Southern Caucasus or Central Asia, was also considered.

10. The discussion on the economic aspects of security in Europe aimed at consolidating an integrated approach to security and development. The complex and multiple links between sustainable development and security were analysed in various ways in the sectoral work of ECE. In particular, security in transport and the environment, energy security, and trade and security were touched upon by the PSBs. The discussion at the annual session aimed at bringing together this set of activities within a common approach, with a view to mainstreaming the security concerns and the objectives of peace-building and conflict prevention into the activities of ECE. Collaboration on this issue with the Organization for Security and Cooperation in Europe (OSCE), the Stability Pact for South-Eastern Europe, the European Commission, the North Atlantic Treaty Organization (NATO), and other United Nations bodies, like the United Nations Institute for Disarmament Research (UNIDIR), is of fundamental importance. The occasion, therefore, was particularly important for

reviewing the state of progress in the coordination at the regional level in respect of the economic dimension of security, and for establishing common priorities for future work in line with the millennium development goals.

11. The third most important issue dealt with at the annual session was the discussion about reform in ECE, with the importance of strengthened policy analysis and focus in the sectoral work being emphasized, as well as the cross-sectoral integration of the policy perspectives. The need to extend the reach of policy dialogue to cover the major social issues and challenges facing the region, and particularly the weaker countries in transition, was also given high prominence.

Economic and Social Commission for Asia and the Pacific (ESCAP)

12. The theme topic of the fifty-eighth session of the Economic and Social Commission for Asia and the Pacific (ESCAP) was "Sustainable social development in a period of rapid globalization: challenges, opportunities and policy options". A study prepared for the session noted that, while economic growth in the region had contributed to a reduction in the percentage of the population living in absolute poverty, two thirds of the world's poor lived in Asia and the Pacific. This implied that policies to reduce poverty had been inadequate and not fully effective. Sustainable growth was found to be constrained by rising inequality. Poverty is better measured in terms of achievements in education, health care, nutrition, employment opportunity and access to sanitation and safe water than by income alone, and the United Nations Millennium Declaration had stressed these aspects of social development. Employment has expanded rapidly in countries in the region that have followed a strategy of manufacturing for export, with steady movement to higher levels of technology, but has grown no faster than the total population in many parts of the region, notably South Asia. Further programmes need to be targeted to the situation of women who are disproportionately affected by poverty because of the number of female-headed households and because of unequal access to resources within and outside the households. Many countries in the ESCAP region discovered, following the 1997-1998 financial crisis, that their lack of proper social protection systems has made their working populations vulnerable to excessive risk, increased the incidence of poverty and undermined their longer-term human capital investment efforts.

13. The study also indicated that the cause of sustainable social development, particularly social integration and mobilization will be greatly enhanced through participatory processes in national and subnational decision-making. However, decentralization processes must incorporate a system of accountability that relies on public and transparent information, which enables the community to monitor effectively the performance of local government.

14. The Commission, at its fifty-eighth session, also considered emerging issues of importance to regional trade. It recognized that the Doha Development Agenda and future negotiations would form a principal focus of member countries' international economic policy for several years to come and that negotiations have been launched on a variety of issues that bring to the fore complex and deep implications for the global and regional trading regimes. In this context, regionalism will continue to play an important role in furthering the region's trade and investment opportunities and growth prospects. The Commission endorsed the planned technical cooperation and capacity-building activities of ESCAP and welcomed enhanced collaboration with the United Nations Conference on Trade and Development (UNCTAD) and the World Trade Organization in their implementation.

Economic Commission for Latin America and the Caribbean (ECLAC)

15. Globalization and development were the main theme for the twenty-ninth session of the Economic Commission for Latin America and the Caribbean (ECLAC). The report on the topic states that the globalization process clearly opens up opportunities for development, and national strategies should be designed to take advantage of the potential and meet the requirements associated with greater integration into the world economy. This process, however, entails risks generated by new sources of instability in trade flows and, especially, finance; the risk that countries unprepared for the formidable demands of competitiveness in today's world may be excluded from the process; and the risk of an exacerbation of the structural heterogeneity existing among producers, social sectors and regions within countries whose

linkages with the world economy are segmented and marginal in nature.

16. Many of these risks are associated with two disturbing aspects of the globalization process, namely, the asymmetric level of mobility between factors and the incomplete nature of the international agenda that accompanies the globalization process. The report also examines an important dimension of the globalization process which is the gradual spread of ideas and values with regard to civil and political rights, as well as economic, social and cultural rights. These ideas and values are gradually laying the foundations for the concept of global citizenship. Under its founding Charter, and ever since its inception, the United Nations has reaffirmed these global ideas and values which have subsequently been ratified by Governments at a series of world summits.

17. The first part of the study analyses globalization from an integral standpoint. As part of an exploration of the multidimensional nature of globalization, it places the current phase of this process within the historical context of the world economy's progressive internationalization and explores its social, political and cultural components. Trends in income inequality and the fundamental asymmetries of the global order are also examined prior to presenting a proposal for a positive agenda for Latin America and the Caribbean in the global era. The point of departure for this proposal is the recognition that Latin America and the Caribbean must adopt a proactive agenda for building a new international order and must be effectively committed to that agenda. It defines four basic principles: shared objectives, rules and institutions that respect diversity, complementarity among national, regional and international governance structures and equitable participation under appropriate rules of international governance. The national component of this agenda focuses on the issues of macroeconomic stability in a broad sense, creation of systemic competitiveness, environmental sustainability and active social policies. A key dual role is assigned to the regional component, which provides a forum for harmonizing and implementing policies and initiatives and acts as an intermediate level of organization for raising the profile of the region's participation in multilateral forums. The international component of the agenda is structured around the following issues: provision of global public goods, correction of asymmetries in the international order (in the financial and macroeconomic areas, in production and technology and in factor mobility) and consolidation of a rights-based international social agenda.

18. The second part of the study focuses on specific issues: external vulnerability and macroeconomic policy; the integration of Latin America and the Caribbean in global trade and production circuits; strengthening innovation systems and technological development; international migration; environmental sustainability; and globalization and social development and the effects of globalization on the Caribbean economies. Following a brief diagnosis of the main problems in each of these areas, recommendations are made concerning a series of measures that can be taken at the national, regional and international levels in order to implement the proposal put forward in the first part of the document.

Economic Commission for Africa (ECA)

19. The Economic Commission for Africa (ECA) established the African Development Forum (ADF) in 1999 to advance dialogue on the critical issues confronting the continent. Since its inception, ADF has been recognized as an effective forum for informed dialogue and consensus-building on development issues relevant to Africa, and for agreeing on implementation priorities and strategies at national, subregional and regional levels.

20. The theme for ADF III was "Defining priorities for regional integration" and its overriding objective was to contribute to the major collective endeavour to establish the African Union (AU), in concordance with the clear directives issued by African Heads of State and Government, meeting at the thirty-seventh ordinary session of the Organization of African Unity (OAU) in Lusaka, Zambia, in July 2001. The Constitutive Act of the African Union calls for economic and monetary union, which is imperative if Africa is to achieve accelerated development.

21. ADF III focused on three major sub-themes: (a) history of, and prospects and challenges for, regional integration in Africa; (b) assessment of regional integration in Africa; and (c) policies for accelerating regional integration. The Forum reflected on the experience in Africa as well as other regions with regional integration; identified the priorities and policy options for accelerating regional integration in

Africa; and elaborated on the necessary steps for economic and monetary union in the African setting.

22. The coming into force of the Constitutive Act of the African Union provides a timely opportunity to focus on what further steps need to be taken institutionally and at the policy level to harmonize and accelerate regional integration efforts in Africa. By defining the priorities and strategic policy options, ADF III aimed to energize and define steps towards accelerating and monitoring the process of regional integration in critical areas, and to inform and add value to the ongoing processes towards an African economic and monetary union.

23. The Forum adopted a consensus statement on regional integration and the way ahead, which will be forwarded to the Inaugural Summit of AU in Pretoria, South Africa, in July 2002. The consensus statement: (a) recommended that priority be given for civil society participation in AU, with annual meetings of civil society to be convened prior to the AU summit; (b) recommended that Africa take rapid, sequenced, realistic and irreversible steps towards accelerated integration; (c) considered that countries will have to cede some sovereignty in economic policy-making for collective interest; (d) recommended that AU should commission an ECA report and recommendations on how to rationalize the proliferation of regional economic communities (RECs); (e) recommended that countries should put in place mechanisms to implement the Abuja commitments on human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS); (f) recommended that regional negotiation capacity should be strengthened to enable Africa to effectively participate in the global trading system; (g) recommended that AU should seek to accelerate the resolution of conflicts and to facilitate the establishment of capable Governments that can ensure peace and security in conflict-stricken countries; (h) recommended that all human rights instruments adopted by the Organization of African Unity (OAU) and ratified by member States should be incorporated in the Constitutive Act of the African Union as integral parts of AU; (i) recommended that Africa should strengthen the basic principle of the Constitutive Act of the African Union, namely, the suspension of Governments that come to power through unconstitutional means from participation in the activities of the Union; (j) considered that the sequencing of the establishment of institutions of AU requires careful attention; (k) recommended that AU should investigate new mechanisms for financing to avoid complete dependence on the dues of member States; and (l) recommended that, if the New Partnership for Africa's Development (NEPAD) is to succeed, a forum for engagement with Africa's elected representatives through the mechanism of the African Parliamentary Union should be established.

Economic and Social Commission for Western Asia (ESCWA)

24. The Economic and Social Commission for Western Asia (ESCWA) called for a special session on 11 March 2002 to apprise its member States of follow-up action to the recommendation of the twenty-first session of the Commission for ESCWA secretariat activities to focus on a limited number of priorities, with special attention to Arab regional integration and the study of mechanisms that would activate this integration. This recommendation, along with the need to observe the guiding principles of the United Nations Millennium Declaration, had led to programmatic priority-setting and restructuring of the secretariat.

25. The two principal documents that reflected these programmatic and structural changes, the revised medium-term plan for the period 2002-2005 and the revised programme budget for the biennium 2002-2003, were discussed and endorsed by the session. The new overall orientation of ESCWA activities is towards nurturing a comprehensive, integrated, equitable and sustainable economic and social development, at both the national and regional levels, that would ultimately allow the countries of the region to effectively manage the rapidly changing economic world environment and enhance the quality of life for the people. To this end, the ESCWA refocused programme will stimulate regional cooperation and integration by providing support to member countries in formulating regional programmes, mechanisms and solutions in both the economic and social fields that would assist in achieving synergies and common positions and therefore facilitating both regional integration and a balanced integration into the world economy while taking into consideration national, regional and global concerns.

26. The member States of ESCWA endorsed the six subprogrammes or multisectoral areas of major concern to which the commission would direct its intellectual thought and resources. These are: (a) integrated

policies for the management of regional resources for sustainable development, which are to have a positive impact on regional integration and cooperation among ESCWA member countries, based on a concerted approach to integrated sustainable management of water and energy and the production sectors; (b) integrated social policies to achieve regional cooperation in the advocacy and promotion of comprehensive and integrated social policies that are region-specific and culturally sensitive and that have a practical orientation; (c) economic analysis and forecasting for regional development to strengthen the capacity of member countries to coordinate their economic policies and achieve economic development by providing quantitative assessment of economic and financial data and trends; (d) regional integration in responding to globalization to facilitate transboundary flows of goods, services, persons and capital in order to meet the challenges posed by the trend towards globalization; (e) information and communication technologies for regional integration to increase the capabilities of member countries to harness ICT for their development; and (f) comparable statistics for improved planning and decision-making to improve the statistical capabilities of countries in the region for informed decision-making and improve the availability and timeliness of comparable statistical information.

27. The main elements of the new strategy to be pursued by ESCWA for addressing these main regional concerns reside in the following: (a) assisting member countries in coping with multidimensional requirements of globalization through fostering competitiveness, based in economic efficiency and the acquisition of the requisite technological skills; (b) serving as a platform for networking and exchange of experiences and best practices among member countries, among all actors in the development process and, in particular, civil society institutions, in support of transparent governance, and among the United Nations agencies with a regional mandate; (c) advocating a multisectoral approach in addressing issues of common programmatic concern, chiefly poverty reduction, gender mainstreaming, least advantaged groups, acquisition of ICT, transparent governance and partnership with civil society institutions, popular participation and issues related to the environment; (d) advising member countries on the integration of the human and social dimensions of development into their policies by focusing on capacity-building with regard to human resources; proposing mechanisms through which to identify the specifications and qualifications required of human resources that would enable member countries to become the driving force of social and economic development; and providing appropriate training and technical assistance in relevant fields; (e) providing assistance in producing and/or generating reliable, customized, harmonized regional data and indicators compatible with internationally recognized statistical standards, as a tool for sound analysis and judicious policy formulation; and assisting in data collection, research and analysis, and monitoring trends; and (f) providing continued support to the least developed member country (Yemen) and other countries with special needs, in particular in terms of promoting post-conflict development and reconstruction in ESCWA member countries that have witnessed war and civil strife.

2. Regional preparatory activities and follow-up to world conferences and other global meetings

28. The regional commissions bring to their respective regions international commitments and programmes. As forums for articulating regional perspectives on global and regional issues, they bring valuable inputs to global debates, inter alia, on the development goals and objectives of world conferences. (For the commissions' activities undertaken for specific world conferences and global meetings, see E/2002/15/Add.1.)

3. Improved coordination and cooperation among United Nations agencies at the regional level: meetings chaired by the Executive Secretaries in the five regions

29. Yearly inter-agency coordination meetings are held by the regional commissions in response to the request contained in annex III of Council resolution 1998/46. The objective of these meetings is to achieve greater coherence among the activities of the United Nations system at the regional level. In developing a strategy for a system-wide support to the millennium declaration goals, these regional mechanisms will have to be fully utilized for ensuring a coordinated and coherent support to the implementation of these goals at the regional level.

Economic Commission for Europe (ECE)

30. The second Regional Coordination Meeting for the ECE region held in 2001 achieved a common understanding of the major challenges for countries with economies in transition and identified three themes that, within the broad priorities of agencies active in the region, call for an enhanced exchange of information and cooperation. These are: social data and benchmarking; gender and economy; and ICT.

31. The third Regional Coordination Meeting for the ECE region, to be held in late 2002, will review the new developments in countries of Eastern and Central Europe and Commonwealth of Independent States (CIS) countries and it is expected to focus on two priority areas that are of high relevance to the region and where all agencies can make a further contribution in their respective and complementary areas of competence, namely: (a) the economic and social aspects of security in Europe, in particular the promotion of human security as a way to build up cohesive societies and prevent tensions or conflicts in the region; and (b) a regional process for the follow-up and monitoring of the World Summit on Sustainable Development.

Economic and Social Commission for Asia and the Pacific (ESCAP)

32. The Regional Coordination Mechanism (RCM) operated actively in the form of quarterly Heads of Agency Meetings (HoAM)/RCM with 11 thematic working groups (including a newly created working group on ICT) and two committees, on administrative management and security and on programme review and coordination. The HoAM/RCM were co-chaired by the Executive Secretary of ESCAP and the United Nations resident coordinator in Thailand. Over the past year, each of the HoAM/RCM reviewed a variety of matters of common interest on the basis of the reports of the thematic working groups. It also discussed such issues as terrorism and its implications for the United Nations system, cooperative arrangements with the Asian Development Bank (ADB), placement of a human rights adviser for United Nations agencies, and upgrading of a common database.

33. Closer cooperation with the Bretton Woods institutions, ADB and other regional organizations such as Asia-Pacific Telecommunity was one of the most important issues tackled. Concrete initiatives taken included ways to improve complementarity of the World Bank's Country Assistance Strategy with the common country assessment (CCA)/United Nations Development Assistance Framework (UNDAF); a special agreement for direct engagement of United Nations agencies by ADB as partners, rather than as contractors, in its projects; the introduction of Asia-Pacific Telecommunity into the RCM as a regular member; and the assistance to be provided to the United Nations agencies in Thailand by the human rights adviser placed at ESCAP.

34. The 11 thematic working groups met more than 40 times in total over the past one and a half years. ESCAP chaired or co-chaired the thematic working groups on women's empowerment and gender equality, disability-related concerns, poverty alleviation, rural development and food security, governance and human rights, environment and development, follow-up to the World Summit for Sustainable Development, education for all, and ICT. The group as a whole reflected a "Bangkok consensus" in terms of the priorities for the region. Recently, a sunset clause was introduced with a view to making the working groups remain relevant to current needs.

Economic Commission for Latin America and the Caribbean (ECLAC)

35. In follow-up to the agreements of the Second United Nations Inter-Agency Coordination Meeting held in 2000, ECLAC convened the first United Nations Inter-Agency Technical Coordination Meeting on Regional Statistical Information, which took place at ECLAC headquarters on 8 May 2001. The goals of the meeting were the exchange of ideas, consensus-building and the identification of short- and medium-term actions that would give rise to a gradual harmonization and rationalization of the statistical management activities that are carried out in the region both by United Nations organizations and by regional and sectoral bodies dealing with statistics. In addition to the relevant agencies, participants included representatives of regional and subregional organizations that play an important role in the collection, management and dissemination of statistical information in Latin America and the Caribbean. Participants agreed on the need to improve coordination among the different international and regional organizations so as to reduce the additional workload on the national offices responsible for

assisting the international organizations and avoid the confusion derived from the dissemination of what were sometimes inconsistent indicators.

36. ECLAC offered to compile an inventory of statistical information collection and dissemination activities carried out by international, regional and subregional organizations and institutions. It was also agreed that a greater exchange of information among international organizations and bodies would be encouraged in order to create a greater awareness of the activities that each of them was conducting in the region.

37. ECLAC developed a system for monitoring the progress made by countries in achieving the goals and objectives agreed to at the various United Nations summits and conferences. The system also serves to list the contributions and activities of all United Nations agencies and bodies working in the region, for the purpose of disseminating information on regional activities in follow-up to world summits. The system was welcomed by the agencies that had already began appointing the focal points who will be in charge of including their contributions to a given international conference or summit meeting through the system's decentralized management module.

Economic Commission for Africa (ECA)

38. The third annual regional consultative meeting of United Nations agencies working in Africa was convened at ECA headquarters in Addis Ababa on 29 and 30 October 2001. The meeting was convened against the backdrop of several important policy developments, including the adoption of a comprehensive recovery plan known as the New Partnership for Africa's Development (NEPAD) by the Summit of OAU Heads of State and Government in Lusaka in July 2001. Thus, the consultative meeting provided a forum for discussing and achieving a common vision of how United Nations system agencies, working within a coherent and collaborative framework, could best support NEPAD. In this regard, the meeting underlined the need to support the regional consultation process to enable it to respond appropriately to the new challenges confronting Africa as identified in NEPAD.

39. The consultations examined two main issues: lessons of the United Nations System-wide Special Initiative on Africa for implementing NEPAD, and promoting a coordinated and coherent response by the United Nations system in its implementation. Six thematic areas under NEPAD were identified for collaboration among agencies under which breakout sessions were held. These were: infrastructure; human resource development, including education skills development, reversing the brain drain, and health; macroeconomic policies, trade and diversification; information and communication technology; agriculture and environment; and population and employment. An additional area on humanitarian and refugee concerns was identified by agencies and subsequently included as the subject of a breakout session. The discussions at the breakout sessions took into consideration cross-cutting issues such as gender equality, capacity-building, policy focus and programmatic priorities, regional approaches and partnership arrangements.

40. In discussing past initiatives in support of Africa's development, the meeting observed that many of those initiatives had been externally led and driven. Moreover, United Nations initiatives like the United Nations New Agenda for the Development of Africa in the 1990s[2] and the United Nations System-wide Special Initiative on Africa had lacked the mechanisms for harmonizing with other initiatives or programmes, and this led many United Nations agencies and African Governments to pay little regard to them in their activities. Nevertheless, agencies agreed that the objectives of supporting Africa-determined priorities and bringing coherence into the United Nations system's work in Africa are still valid and that there are important lessons to be drawn from that experience in support of NEPAD. These include: the clustering arrangement of agencies with strong commitment by lead and co-lead agencies; the development of a modality for cooperation; the availability of seed money; a mechanism for follow-up including a framework for reporting; and a proactive secretariat to facilitate the work of the agencies.

41. The seven breakout sessions met during the consultations and identified the lead agencies that would coordinate the collective work of each group around the seven thematic clusters. The groups identified priority areas for collaboration and agreed to meet periodically to exchange information and enhance cooperation.

Economic and Social Commission for Western Asia (ESCWA)

42. Owing to its preoccupation with restructuring, ESCWA expects to hold its regional inter-agency meeting in late 2002.

4. Economic and social dimensions of peace-building: regional perspectives and the role of the regional commissions

43. There is a growing realization that the root causes of conflicts are manifold, and include economic and social disparity and weak or ineffective governance structures. Further, chronic poverty and inadequate institutional capacities can germinate conflicts, on the one hand, and hinder post-conflict peace-building as well as prevention efforts, on the other. The fact that conflict prevention, peace-building and reconstruction efforts therefore increasingly follow multidisciplinary strategies has prompted member States to increasingly place demands on the capacities of the regional commissions, in accordance with their respective mandates. This has led to a further strengthening of the cooperative relationship with relevant regional organizations in their respective regions (see addendum 2 to this report).

Economic Commission for Europe (ECE)

44. During the period under review, ECE and OSCE jointly organized, in November 2001, a colloquium at Villars, Switzerland, on the role of the economic dimension in conflict prevention in Europe, which brought together more than 50 experts from NATO, EU, and other relevant United Nations entities, as well as the private sector and the governmental institutions of member States. The colloquium resulted in important findings and concrete recommendations on further work and joint activities. It led to an understanding with regard to holding regular informal meetings among the experts from the ECE, OSCE, EU and NATO secretariats (Villars Group) in order to regularly exchange experiences, knowledge and views on the economic dimension of conflicts. Also, a new initiative was born at the Villars colloquium — an initiative to create a Public-Private Partnership for Peace within the framework of the ECE Public-Private Partnerships (PPP) Alliance.

Economic and Social Commission for Asia and the Pacific (ESCAP)

45. ESCAP has undertaken need assessment missions in Cambodia and Myanmar. In the context of the Greater Mekong Subregion development initiative, ESCAP and ADB cooperated during the period in organizing seminars on investment promotion and promotion of economic corridors. ESCAP is also poised to assist in the reconstruction and development of Afghanistan.

Economic Commission for Latin America and the Caribbean (ECLAC)

46. ECLAC carried out a technical study, at the request of the Governments of Chile and Argentina, on the "Common standardized methodology for measuring defence spending", which was presented to the Fourth Consultative Meeting of the Ministers of Defence and Foreign Affairs of the two countries, held in August 2001. The standardization model establishes a progressive sequence of levels for measuring defence spending, including basic, extended (which encompasses pensions expenditure by the armed forces) and total, which also takes in certain expenditures of other defence industries and activities. By way of example, ECLAC provided a comparison exercise for the period 1996-1998, which was based on qualitative and quantitative data from the two countries. The work of ECLAC in this respect is considered a pioneering initiative for the region, as led by two neighbouring countries, and as part of a set of measures to improve transparency and mutual trust.

Economic Commission for Africa (ECA)

47. ECA followed up further on the Mano River Basin Initiative, to address the subregional dimensions of post-conflict reconstruction and development in Guinea, Liberia and Sierra Leone, by focusing on development activities. The ECA subregional development centre for West Africa, based in Niamey, the Niger, organized consultations with focal points from the Governments of the three countries in July 2001 to pursue the implementation of the strategy adopted earlier for the revitalization of the Mano River Union (MRU). That strategy involves: (a) immediate reactivation of the MRU secretariat; (b) institutionalization of confidence-building, security and stability measures; and (c) resumption of activities in all areas of cooperation, including infrastructure

development and trade. The project also includes fostering networking among Governments, civil society and the media. ECA also organized a consultative meeting of the inter-agency working group of the United Nations partners, which was held in Freetown, Sierra Leone, in March 2002.

Economic and Social Commission for Western Asia (ESCWA)

48. ESCWA has been assisting Lebanon in developing and reconstructing areas and cities that were devastated during the Lebanese civil war, with a view to making them all socially inclusive and attempting to bridge the gap between economic and social development. Furthermore, pursuant to ESCWA resolution 237 (XXI) on the rehabilitation of the economic sectors in Palestine, adopted in May 2001, ESCWA will take practical measures in the course of the biennium 2002-2003 to assist Palestine in rehabilitating its economic sectors. Notably, in its revised medium-term plan for the period 2002-2005, ESCWA has introduced promoting post-conflict development as one of its development strategies.

5. Cooperation with other regional bodies

49. The regional commissions intensified their cooperation with relevant intergovernmental bodies in their respective regions. The regional preparatory meetings for the global conferences on financing for development and sustainable development, undertaken by the five regional commissions during the period under review, demonstrate very clearly this close collaboration. Coordination between the commissions and other regional organizations is based on the need to have a common strategy for regional issues and problems; a division of labour predicated on recognized comparative advantage and expertise; and the need to pool limited resources for their efficient use and impact. (See E/2002/15/Add.2 for the details on cooperation between the commissions and regional and subregional bodies.)

B. The regional commissions as outposts of the United Nations

50. In line with Council resolution 1998/46, annex III, the regional commissions continue to actively participate in the Executive Committee on Economic and Social Affairs. They also cooperate actively with other relevant entities in the economic and social sectors, namely, the Department of Economic and Social Affairs of the United Nations Secretariat, the United Nations Conference on Trade and Development (UNCTAD) and UNDP.

1. Participation in the Executive Committee on Economic and Social Affairs and the United Nations Development Group and the role of the commissions in the common country assessment/United Nations Development Assistance Framework

(a) Participation in the Executive Committee on Economic and Social Affairs

51. The Executive Secretaries of the regional commissions continued their active participation in the meetings of the Executive Committee on Economic and Social Affairs. The regional commissions, UNCTAD and the Department of Economic and Social Affairs of the United Nations Secretariat in effect constitute the core group of the Executive Committee. During the period under review, the commissions updated the Executive Committee on the results of the regional preparatory meetings for the International Conference on Financing for Development and for the World Summit on Sustainable Development. The commissions also exchanged views with UNCTAD and the Department of Economic and Social Affairs of the United Nations Secretariat on the outcome of the Third United Nations Conference on the Least Developed Countries and the Fourth Ministerial Conference of the World Trade Organization and discussed their regional activities in support of the Information and Communication Technologies (ICT) Task Force. As decided by the Executive Committee, the commissions prepared background documents to the high-Level dialogue at the fifty-sixth session of the General Assembly on globalization and interdependence (Assembly resolution 55/212). They also submitted their inputs along with the other members of the Executive Committee to the "road map" that the Assembly, in its resolution 55/162, had requested the Secretary-General to prepare towards the implementation of the United Nations Millennium Declaration within the United Nations system and to submit to the Assembly at its fifty-sixth session.

(b) Participation in the United Nations Development Group

52. The main conclusion of the five regional workshops, organized by the regional commissions in cooperation with the Development Group Office of the United Nations Development Group (DGO/UNDG) during the year 2000, was that the commissions could contribute to the CCA/UNDAF processes in their respective regions on: a conceptual framework on social and economic issues facing the region; comparative policy studies for implementation; and analyses of development issues requiring regional and subregional approaches as well as country-specific information, statistical data and social indicators. In the follow-up to the CCA/UNDAF workshops, most of the commissions experienced some improvements in their involvement in preparation of the CCA and the UNDAF, although more is expected to be accomplished.

53. ECE participated actively in the CCA/UNDAF workshop held in Minsk in March 2001, which provided an opportunity to expose the six Central European transition countries to its relevant services. ECE also reviewed online, and offered comments on, some of the draft CCA/UNDAF and Poverty Reduction Strategy Paper (PRSP) documents. ESCAP contributed to the preparation of the CCA/UNDAF for Thailand and the Lao People's Democratic Republic and, through its Pacific Operation Centre in Vanuatu (ESCAP/POC), provided specific inputs to the CCA/UNDAF exercise in Papua New Guinea. In cooperation with UNDP Thailand, ESCAP was actively involved in the work of the various focus groups relating to environment, poverty, inequality and disparity reduction and governance which resulted in the inclusion of two activities in the country UNDAF, namely, the human dignity initiative: community-based safety nets as tools for human resource development; and strengthening women's participation in urban local governments. Further, at the end of 2001, UNDP/Thailand sponsored one ESCAP staff to be trained at the United Nations System Staff College as a CCA/UNDAF resource person, who would then be available to assist in the CCA/UNDAF training activities in the region. Through its subregional office in Mexico City, ECLAC was involved during 2001 in the preparation of the CCA and the UNDAF in Mexico, Honduras and Panama. The contribution of ECLAC to the preparation of the CCA for Honduras during 2001 was presented at the workshop as an example of good practice. ECA, in response to requests from its member States to create a forum for systematic exchange of experience and best practices on the PRSP process, has established a PRSP Learning Group. The first meeting of the Group, which was held in Addis Ababa on 5 and 6 November 2001, brought together senior policy makers, civil society representatives and experts from nine African countries (Ethiopia, Ghana, Mali, Mozambique, Rwanda, Senegal, Sierra Leone, Uganda, and the United Republic of Tanzania) as well as representatives from the World Bank, the International Monetary Fund (IMF), the African Development Bank (AfDB) and UNDP. The meeting, inter alia, identified best practices to be replicated in the other African countries, and proposed strategies to be adopted by those countries in transforming the new partnership envisaged in NEPAD, using the instrumentality of the PRSP. ESCWA has been involved in the UNDAF preparation process in Lebanon and has also offered its services to the resident coordinators in the other ESCWA member countries for preparation of the CCA/UNDAF.

54. The brief experience has shown that the resource constraints, both human and financial, imposed limitations on the widening of involvement of the regional commissions in the CCA and UNDAF processes. Overcoming these limitations could be possible only with the active interest of the resident coordinators. For an effective implementation of paragraph 88 of General Assembly resolution 56/201 in the period ahead and in view of the decision by UNDG to include among its priorities for 2002 the promotion of systematic collaboration at regional level in the CCA/UNDAF processes, it is imperative that both the regional commissions and the resident coordinators be more proactive in ensuring the reflection of the regional dimension of development in the country-specific processes of the CCA and the UNDAF. This is also necessary in the context of the United Nations system's response to the effective implementation of the millennium development goals.

2. Cooperation with the Department of Economic and Social Affairs of the United Nations Secretariat and the United Nations Conference on Trade and Development

(a) Cooperation with the Department of Economic and Social Affairs

55. Beyond the joint activities in the preparation for and follow-up to global conferences, particularly the three conferences of 2002 on financing for development, sustainable development and ageing, the regional commissions have continued their close collaboration with the Department of Economic and Social Affairs of the United Nations Secretariat in various areas including social policy, public administration, statistics, population and gender. Other ongoing collaborative activities included the commissions' support at the regional level to the work of the ICT Task Force, substantive participation in Project LINK (an international collaborative research group for econometric modelling, coordinated jointly by the Development Policy Analyses Division of the United Nations Secretariat, and the University of Toronto) and regular exchange of information on the global and regional economic and social surveys. The commissions also provided regional perspectives on globalization in a background document for the high-level dialogue on globalization and interdependence at the fifty-sixth session of the General Assembly. Examples of this cooperation are indicated below.

Economic Commission for Europe (ECE)

56. During 2001, ECE worked with the Department of Economic and Social Affairs of the United Nations Secretariat to create the European regional network of the United Nations Online Network of Regional Institutions for Capacity-building in Public Administration and Finance (UNPAN). The resulting electronic network has been published both on the UNPAN web site (maintained by the Department of Economic and Social Affairs of the United Nations Secretariat) and on the ECE web site. The European regional network provides an easily accessible guide to training and capacity-building in almost all the ECE European member States, and the agencies that feature on the database are also building contacts with each other to exchange experience and to meet the challenges of new technologies in public administration.

57. ECE also cooperates with the Department of Economic and Social Affairs of the United Nations Secretariat through its participation in the United Nations high-level task force on ICT for Development. ECE participated in an ICT Task Force meeting in New York in February 2002 and agreed to organize a European regional expert meeting and to develop a European regional network on ICT for development and transition. ECE hosted a meeting in April 2002 to launch the European regional network to help ensure that the United Nations ICT for development process makes a dynamic contribution to the regional preparations for the World Summit on the Information Society (2003).

58. In the area of sustainable development, senior staff of the Department of Economic and Social Affairs of the United Nations Secretariat and ECE met in March 2002 in New York for an informal reflection on the expected outcome of the World Summit on Sustainable Development and the role that ECE could play in its regional follow-up.

Economic and Social Commission for Asia and the Pacific (ESCAP)

59. Cooperation with the Department of Economic and Social Affairs of the United Nations Secretariat has essentially involved the preparation and approval of the project "Capacity-building of ESCAP member States for managing globalization" under the third tranche of the Development Account. The project targets trade and investment and macroeconomic policies in Central Asian and Caucasian economies in transition, Mongolia and the Russian Federation and will be implemented during the period 2002-2004.

60. In December 2001, ESCAP and the Office of the Special Adviser on Gender Issues and Advancement of Women of the United Nations Secretariat and the Division for the Advancement of Women, both of the United Nations Secretariat, convened the "Asian and Pacific Regional Symposium on Gender Mainstreaming" at which participants exchanged ideas, experiences and good practices on gender mainstreaming, and stronger links between the gender mainstreaming work of the United Nations and efforts at national and regional levels were established. In June 2001, ESCAP and the Department of Economic and Social Affairs of the United Nations Secretariat organized a training workshop, funded from the Development Account, to promote the inclusion of

women with disabilities into mainstream gender initiatives in the region.

Economic Commission for Latin America and the Caribbean (ECLAC)

61. ECLAC and the Department of Economic and Social Affairs of the United Nations Secretariat continued to work together in the field of statistics, particularly in the areas of national accounts, economic and statistical classifications for foreign trade and environmental statistics. Both institutions jointly organized a Regional Workshop on Sustainable Development Indicators (Santiago, November 2001).

62. As part of its activities as manager of the Task Force on Tools and Indicators for Gender Impact Analysis, Monitoring and Evaluation of the Inter-Agency Network on Women and Gender Equity, ECLAC also continued collaborating closely with the United Nations Statistics Division and the Division for the Advancement of Women, both of the Department of Economic and Social Affairs of the United Nations Secretariat.

63. In the area of monitoring of the economic and social situation of the region, ECLAC and the Department of Economic and Social Affairs of the United Nations Secretariat teams in charge of the flagships on the economic and social situation of the region and the world, respectively, continued to maintain regular contact and exchanges of information.

64. Finally, the ECLAC Population Division/Latin American and Caribbean Demographic Centre (CELADE) provides the Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat with figures and projections for the Latin American countries for inclusion in its publications.

Economic Commission for Africa (ECA)

65. ECA continued its collaboration with the Department of Economic and Social Affairs of the United Nations Secretariat on the implementation of the public service ethics project, which is aimed at compiling information on current legislation, policies, programmes and practices to assist African Governments and non-governmental organizations in improving public sector ethics policies and programmes. This collaborative effort culminated in the preparation of a major report on public sector ethics which was discussed at the Third Biennial Pan-African Conference of Ministers Responsible for Civil Service Matters, held in Windhoek, Namibia, in February 2001 (see A/56/63-E/2001/21). ECA also intensified its cooperation with the Department of Economic and Social Affairs of the United Nations Secretariat in implementing activities under UNPAN aimed at strengthening networking among regional institutions working in the areas of public administration and finance, as well as in the implementation and monitoring of the enforcement of the Charter for the Public Service in Africa (A/56/63-E/2001/21, annex II).

66. In January 2002, ECA, working in close collaboration with the Department of Economic and Social Affairs of the United Nations Secretariat and the ICT Task Force, launched the African Stakeholders Network (ASN) as a framework for partnership and information exchange among various institutions and entities working in the area of ICT for development in Africa. At the national level, the ASN is designed to help build capacity on issues relating to ICT for development among various stakeholders — policy makers, civil society groups and the private sector — by providing specific, policy-relevant and programme support to overcome some of Africa's development challenges. It will also help to identify existing policy gaps in and constraints on the work of the ICT Task Force in Africa. ECA serves as the secretariat of the Network.

67. ECA also carried out several joint activities with the Department of Economic and Social Affairs of the United Nations Secretariat in the area of capacity-building for statistical development. These joint activities took the form of participation in, and contribution to, the thirty-second session of the Statistical Commission, held in New York in March 2001; the meeting of the Inter-Secretariat Working Group on National Accounts, held in Washington, D.C., in April 2001, and New York in July 2001; and the third meeting of the Johns Hopkins Consultative Group on the Development of a Handbook for Non-profit Institutions on the 1993 System of National Accounts, held in New York in July 2001.

Economic and Social Commission for Western Asia (ESCWA)

68. Facilitating social integration was one of the principal areas of cooperation between ESCWA and the

Department of Economic and Social Affairs of the United Nations Secretariat. The integration of youth was the main issue of the Arab Youth Forum, jointly held by ESCWA and the Department of Economic and Social Affairs of the United Nations Secretariat (Beirut, June 2001), at which ESCWA was instrumental in formulating the Arab Declaration of Youth, which contains guidelines for the implementation of United Nations mandates on youth, and which was presented to the World Youth Forum (Senegal, 6-10 August 2001) (see A/C.3/56/2).

69. ESCWA and the Department of Economic and Social Affairs of the United Nations Secretariat are further engaged in promoting social integration in the areas of disability and community development. ESCWA is executing a pilot project funded by the Department of Economic and Social Affairs of the United Nations Secretariat on self-reliance and income-generating activities for disabled persons in Lebanon to improve their employment opportunities, based on the international strategy of community-based rehabilitation. The project also includes a series of workshops for the disabled organized by ESCWA, including training of a group of disabled youth in information technology. ESCWA and the Department of Economic and Social Affairs of the United Nations Secretariat are also undertaking a joint project on inclusive cities, which is a theme that has evolved over the past few years whereby ESCWA is providing assistance in ensuring that the development of cities gives priority to community and that individuals, including people with special needs, become the direct beneficiaries of urban development.

(b) Cooperation with the United Nations Conference on Trade and Development

70. Cooperation between UNCTAD and the regional commissions, in principle, seeks a leveraging of the comparative advantages of the two parties to achieve more synergy. Notable examples of applications of this principle during the period under review were cooperation between them in organizing the regional preparatory meetings for the International Conference on Financing for Development in all regions, as well as for the Third United Nations Conference on the Least Developed Countries in Africa and Asia.

Economic Commission for Europe (ECE)

71. In the area of trade facilitation, there is a good division of labour between the two organizations based on the role of ECE as a standard-setting organization and that of UNCTAD as an organization focused on implementation and technical assistance. This cooperation is manifested in several areas. In particular, cooperation focused on publications, in the form of mutual inputs, joint production and dissemination. In addition, an ECE Trade Facilitation project, which aims at capacity-building in trade facilitation in selected Eastern European countries, is carried out in close cooperation with the UNCTAD Trade Point Programme.

72. ECE also provided UNCTAD with assessments of recent economic developments in the transition economies and commented on the drafts of UNCTAD in this field. In addition, as part of the regular cooperation between the two organizations, ECE provided macroeconomic statistics pertaining to the transition economies to the UNCTAD Division on Globalization and Development Strategies, which produces the *Trade and Development Report*. Continuing coordination is ensured by an Intersecretariat Task Force on cooperation between ECE, UNCTAD and ITC in the field of Trade Facilitation, which meets about four times a year in order to coordinate trade facilitation activities among UNCTAD, the International Trade Centre UNCTAD/WTO (ITC) and ECE.

Economic and Social Commission for Asia and the Pacific (ESCAP)

73. ESCAP is collaborating with UNCTAD and the Economic Cooperation Organization (ECO) in implementing the Islamic Development Bank-funded project on development of multimodal transport operations in the ECO subregion. The project aims to assist ECO member States in upgrading multimodal transport capabilities and identifying bottlenecks with respect to the smooth flow of transport, thereby fostering increased trade.

74. One of the major constraints on the development of multimodal transport in the ESCAP region encompasses inadequate skills and expertise in operational, management and marketing of multimodal transport and logistics services. To help alleviate such constraints, ESCAP is developing an interactive

training package consisting of a study guide, and a reader's and an instructor's manual, with the base material coming from UNCTAD. In addition to this, ESCAP is using the Multimodal Transport Handbook prepared by UNCTAD to develop the substantive training materials.

Economic Commission for Latin America and the Caribbean (ECLAC)

75. ECLAC and UNCTAD have continued their long-standing collaboration, mainly in the areas of investment and trade. In January 2002, they jointly organized the Regional Seminar on Foreign Direct Investment (FDI) Policies in Latin America, to examine new policy options including the relationship between FDI, exports and international competitiveness and the successful experience of developing countries in Asia in improving international competitiveness, with or without FDI.

76. E-commerce is another area in which cooperation is expected to increase, as the result of a first collaboration which took the form of the presentation by ECLAC of the paper entitled "E-commerce and export promotion policies for small- and medium-sized enterprises: East Asian and Latin American experiences" (LC/L.1619-P/I) at an UNCTAD seminar on "Improving the competitiveness of small- and medium-sized enterprises in developing countries: role of finance, including e-finance, to enhance enterprise development" (Geneva, October 2001). In addition, both institutions have actively participated in each other's expert meetings on competition policy, financing for development and sustainable development.

77. Recently both institutions reviewed the ways to address the capacity-building needs of the Latin American and Caribbean countries in light of the results of the Fourth Ministerial Conference of the World Trade Organization, held at Doha from 9 to 13 November 2001, through collaborative programming for 2002-2003.

Economic Commission for Africa (ECA)

78. ECA has a long-standing relationship with UNCTAD in a number of areas, particularly in providing technical assistance to African countries to enable their effective integration into the global trading system, and in supporting their efforts at mobilizing resources for development. Ongoing cooperation covered joint activities in providing technical assistance to African countries in capacity-building for the computerization of customs procedures, to facilitate the transition from a manual system to the Automated System for Customs Data (ASYCUDA) and the Advanced Cargo Information System (ACIS).

79. UNCTAD participated in the high-level meeting of African trade negotiators organized by ECA in Addis Ababa in June 2002, preparatory to the Fourth Ministerial Conference of the World Trade Organization held in Doha in November 2001. The recommendations adopted by that meeting also served as inputs into the meeting of African Ministers of Trade held in Abuja in October 2001.

Economic and Social Commission for Western Asia (ESCWA)

80. Cooperation between ESCWA and UNCTAD revolved around three main areas: World Trade Organization issues; FDI, and competition and consumer protection; and trade and environment. With respect to World Trade Organization issues, ESCWA and UNCTAD cooperated in undertaking a series of activities. The first consisted of a preparatory meeting for Arab countries (Chavannes-de-Bogis, Switzerland, 20 and 21 June 2001). The second was a high-level Arab Expert Group Meeting (Doha, Qatar, 22 and 23 September 2001). The third was a ministerial meeting, jointly organized by ESCWA, UNCTAD and the League of Arab States (Beirut, Lebanon, 29 and 30 October 2001), to provide member States with a forum for consultation and for the formulation of consolidated positions. The fourth type of activity included the preparation, by ESCWA, of about 20 booklets in Arabic spanning three World Trade Organization-related areas: a historical background on the evolution of the multilateral trading system; principal trade agreements in various sectors; and areas of future concern. The booklets in Arabic were especially significant, owing to the dearth of materials on World Trade Organization issues in Arabic. The issuance of these booklets and the establishing of a home page on World Trade Organization issues also contributed to raising the awareness of Arab States with respect to the present and future impact of global changes on these States.

81. ESCWA cooperated with UNCTAD in building the capacity of member States in the area of agriculture

and the new trade agenda in order to make it possible for the countries of the region to benefit from opportunities offered by the Uruguay Round of multilateral trade negotiations Agreement on Agriculture.[3] In this respect, ESCWA conducted the first workshop in the region on the issue (July 2001). Cooperation with UNCTAD also involved launching an extensive joint activity on the promotion of FDI in the region through a project on networking of expertise on FDI in ESCWA member States. Other activities with UNCTAD included a joint regional expert group meeting on competition laws and competition policies in the ESCWA region, an ongoing area of cooperation.

3. Cooperation with the United Nations Development Programme

82. Although no initiative was undertaken to operationalize the provisions of the UNDP/resident coordinator Strategic Compact during the period under review, there have been several instances of cooperation between the individual commissions and the respective regional bureaux of the Programme. The level of cooperation has varied considerably from region to region, with most regions witnessing significant scaling down. In the case where specific initiatives have been noted for forging significant working relationships between the commissions and their respective regional bureaux of UNDP, those have centred around specific themes, for example, poverty as in the case of ESCAP, financing for sustainable development as in the case of ECLAC and a regional development strategy, namely, NEPAD, as in the case of ECA.

Economic Commission for Europe (ECE)

83. UNDP is funding an ECE-executed project on Human Development Statistics and Social Trends Reporting in Eastern and Central Europe and CIS. Activities carried out in 2001 in the context of the project included the organization of a workshop on Social Monitoring and Human Development Reporting as well as the establishment of a pilot version of a regional web site on gender statistics. The aim of the web site is to provide links between statistics and gender policies. The pilot version is expected to be operational by the end of 2002.

84. UNDP cooperated with ECE regarding the Regional Assessment Report prepared for the ECE Regional Ministerial Meeting for the World Summit on Sustainable Development (see E/CN.17/2000/PC.2/5/Add.1), held in preparation for the World Summit on Sustainable Development. UNDP has also been consistently helpful in all countries where ECE undertakes Environmental Performance Reviews (EPRs). ECE also works closely with UNDP on a project to assist countries in Central and Eastern Europe as well as the CIS countries in improving the statistics relevant for human development resources reporting.

85. ECE and UNDP are jointly working to create the European Regional Network for Information and Communication Technology for Development as a tool to assist the transition countries, and held an expert meeting in Geneva on 29 April 2002. Together, ECE and UNDP will define a two-year programme to implement the initiatives of the ICT Task Force in the region and to assist the participation of the less advantaged transition economies in the World Summit on the Information Society (2003 and 2005).

Economic and Social Commission for Asia and the Pacific (ESCAP)

86. Despite dwindling resources, ESCAP and UNDP/Regional Bureau for Asia and the Pacific (RBAP) have successfully pursued a course to generate a momentum for cooperation. Their initiative is based on recognition of the need to effect implementation of the Strategic Compact and the millennium development goals. Three specific activities could be cited as follows:

(a) They established a joint ESCAP/UNDP Poverty Centre to assist the countries in the region in formulating and implementing effective poverty reduction strategies towards achievement of the millennium development goals. Under a project entitled "Supporting the Achievement of Millennium Development Goals", specific objectives focus on the provision of a region-wide analysis and monitoring of the progress made and obstacles encountered in achieving the millennium development goals; and assessing the links between microlevel poverty alleviation activities and their influence at the macrolevel;

(b) UNDP financed a project entitled "Enhancing the effectiveness and efficiency of ESCAP" from the Republic of Korea Trust Fund with UNDP;

(c) UNDP Viet Nam has engaged ESCAP as executing agency of a Support Services for Policy and Programme Development (SPPD)-financed country project whereby ESCAP would provide policy advice in focus areas within the country cooperation framework for Viet Nam (2001-2005).

Economic Commission for Latin America and the Caribbean (ECLAC)

87. ECLAC continues to collaborate with the UNDP, both at the regional and at the country level. One of the joint ECLAC/UNDP efforts is a regional project to assess the feasibility of halving the poverty levels in the region by the year 2015, as established in the millennium development goals. In addition to this, both institutions worked together in the area of financing for development, particularly financing for sustainable development, offering countries in the region a converging approach to the two United Nations international conferences held this year. Two joint projects were implemented in the area of sustainable development: Financing for Sustainable Development in Latin America and the Caribbean, and Application of Economic Instruments for Environmental Management in Latin America and the Caribbean.

88. ECLAC has provided substantive inputs in the preparation of the Human Development Report of several countries in the region (Bolivia, Cuba, El Salvador, Guatemala and Haiti). In addition, ECLAC hosted and made substantive inputs to the UNDP Regional Consultation for Latin America and the Caribbean on Trade and Human Sustainable Development (Santiago, 29 and 30 October 2001).

89. At the national level, ECLAC is the executive agency for two projects, one dealing with capacity-building in the Ministry of Agriculture and the other with violence in a society in transition from war to peace. ECLAC has also given significant support to two UNDP projects in Cuba: Rational Use of Energy, and Support to the Productive Sector. In Mexico, ECLAC is executing a UNDP-funded project on Updating and Consolidating the Mexican Strategy for Development Cooperation, particularly regarding Technical Cooperation among Developing Countries (TCDC) in Mexico in the Twenty-first Century.

Economic Commission for Africa (ECA)

90. The collaboration between ECA and UNDP continued on several issues during the past year. These included UNDP participation in the regional coordination meeting of United Nations agencies working in Africa, organized by ECA in October 2001; the financial support of UNDP for the third ECA African Development Forum (ADF III) on the theme "Defining Priorities for Regional Integration", held in March 2002; and joint planning and undertaking of regional and national activities and programmes. At the country level, ECA continues to work closely with UNDP in providing assistance to African member States in the development and implementation of their National Information and Communication Infrastructure (NICI) policies and plans.

91. During the period under review, ECA and UNDP initiated consultations on developing a framework for enhanced collaboration in a number of areas, which resulted in the signing of a draft framework agreement. The framework agreement is a follow-up to the Strategic Compact between UNDP and the regional commissions signed in 2000. The framework agreement aims at leveraging the comparative advantages of both organizations to achieve higher levels of synergy in support of Africa's development priorities as identified in NEPAD. The priorities include support for democratic governance, including conflict prevention, peace-building and post-conflict reconstruction; support for good economic and corporate governance; poverty reduction; strengthening regional cooperation and integration; harnessing information and communication technologies for development; addressing the challenges posed by the HIV/AIDS pandemic; promoting gender equality in development; and promoting better stewardship of the environment.

Economic and Social Commission for Western Asia (ESCWA)

92. ESCWA and UNDP are cooperating in undertaking a number of projects, mainly in the area of social development. A project on Training and Rehabilitation in Community Development in Lebanon, the Syrian Arab Republic, Jordan, Palestine, Egypt and Kuwait is financed by UNDP together with other regional organizations and implemented by ESCWA. The objective of the project, which started in 2000 for a period of three years, is to increase the impact of the

parties that are active in the community development field by strengthening their organizational and technical capabilities.

93. The flagship project on Integrated Regional Follow-up by the Arab States to the United Nations Global Conferences financed by UNDP and implemented by ESCWA over a period of three years ended in 2001. Under this project, a number of activities were carried out in the past year including a Regional Meeting of National Coordination Committees to follow up on Global Conferences (Amman, September 2001), round-table discussions, and a Meeting on Governance, Socio-economic Development and Poverty (Cairo, November 2001). Both organizations also initiated in 2001 a project to improve the quality of the National Human Development Report in Iraq, which will be used for recommending policies and strategies to the Government.

II. Interregional cooperation

A. Interregional cooperation for sustainable development: regional challenges ahead

94. The past decade began with major changes in the international agenda. The United Nations Conference on Environment and Development, also known as the Rio Conference, was the first in a cycle of world conferences held to address the multidimensional problems of development in the light of a new phenomenon that was beginning to spread inexorably: globalization. Rio marked the transition towards a new generation of world environmental conventions and, by the formulation of Agenda 21,[4] towards a comprehensive programme of action to guide the endeavours of the world for sustainable development. Nevertheless, although the consensus achieved in 1992 gave rise to greater awareness of the environmental dimension of development and to many global, regional and national initiatives, the implementation of Agenda 21 itself made only modest progress in practical terms. As a result, the problems of environmental stress, resource degradation, social malaise and poverty remain practically undiminished. In fact, many developing countries, especially in Africa and the least developed countries as well as the transition economies, have witnessed an aggravation of those problems, often rendered more complex by demographic and urbanization challenges. The acceleration of economic globalization has added both to the urgency and to the complexity in respect of meeting these challenges.

95. Nowhere are the shortfalls more pronounced than in the trends in sustainable development finance, when compared with the targets set forth in the Rio Summit in 1992. However, some progress has been achieved at the national level in terms of institutional development and modest but concrete national financing mechanisms to support environmental policies and actions. Unfortunately, the fact that the principles of environmental protection and sustainable development are still viewed in many sectors as a constraint on economic growth and competitiveness needs to be carefully addressed.

96. Experience gained since the Rio Conference points to the need for a more holistic approach towards sustainable development. Consequently, a refinement of strategies and sharper policy perspectives aimed at effective implementation of Agenda 21 especially at the national level, complemented by stronger and effective international mechanisms in terms of global and regional support as well as significantly greater financial commitments, are essential. The need for such a fundamental reorientation, encompassing the three main pillars of sustainable development, was highlighted with especial clarity in the regional meetings preparatory to the World Summit on Sustainable Development (see E/2002/15/Add.1, containing additional details on the regional preparatory meetings for the Summit, organized by the regional commissions). They also identified the key issues, challenges and priorities at the regional level for sustainable development in the period ahead, as described directly below.

1. Poverty eradication and economic and social issues

97. The single most important and unanimous conclusion emanating from the regional processes was that poverty eradication and economic and social development are both central and fundamental to making any tangible progress towards sustainable development. Chronic and persistent poverty in the developing countries, especially in Africa and the least developed countries as well as the transition economies, endangers the social fabric, undermines

economic development and the environment, and threatens stability.

98. The acute nature of the poverty trap becomes evident from the data indicating that, in 1986, about 200 million Africans lived in extreme poverty on less than one dollar a day. By 2000, 100 million more had joined them. ECA estimates that, even if the rest of the world is successful in fulfilling the target of halving the number of people living in poverty by 2015, reducing the figure from 22 to 11 per cent, the figure for Africa will be stuck at about 37 per cent — more than three times the global average.[5] On average, 44 per cent of the population in the least developed countries have a per capita income of under one dollar a day, and about 75 per cent have a per capita income of less than two dollars a day.[6] Although gross domestic product (GDP) per capita between 1975 and 2000 quadrupled in East Asia, nearly trebled in South-East Asia and doubled in South Asia, the proportion of the population subsisting on less than one dollar a day remained very high, at over 40 per cent in South Asia, and high, at 15 per cent in East Asia and the Pacific.[7] Poverty became worse with the addition of the so-called transition poor emerging from the Asian financial crisis.[8] In Latin America, a succession of "stop-go cycles" or the economic volatility experienced over the past decade has resulted in a long-term growth rate that is far lower than what the region needs in order to reduce its high level of unemployment and improve the substandard living conditions of a large segment of its population.[9] Between 1987 and 1998, the number of poor people in Latin America and the Caribbean rose by about 20 per cent. In Europe and Central Asia, their number soared from 1.1 million to 24 million over the same period.[10] In the Middle East and North Africa, even if the proportion of people in absolute poverty was 0.5 per cent in 1998, poverty estimates are much higher by the relative poverty criterion.[11]

99. The poverty challenge can be addressed only in conjunction with several other highly important and interconnected issues. Among them are: the impact of globalization; sustainable energy development; sustainable agriculture for food security; human settlements development; major public-health concerns; market access for developing countries' products; sustainable consumption and production patterns; human development and coping with natural disasters; and resource flows and the solution to debt overhang. Assisting countries in dealing with these issues poses enormous tasks at the country, regional and global levels.

2. Globalization

100. With the advent of globalization, growth became more volatile during the 1990s, imposing additional costs in terms of reconciling growth and social development on the one hand, and sustainability of development on the other. The Mexican crisis of 1994-1995, and the Asian financial crisis of 1997-1998, as well as the current economic downturn in most major industrialized countries, have revealed more subtle types of vulnerability and previously underestimated contagion effects. The economic restructuring initiatives undertaken in the aftermath of those crises did not always provide the adequate safety net for the poor, often resulting in increasing the incidence of poverty in the affected countries. To make globalization work for sustainable development, developing countries, including in particular the poorest among them, need to be integrated into the global economy, inter alia, by removing trade distortions, giving market access and encouraging investments and resource flows. UNCTAD analyses emphasize that the binding of duty-free market access and improved rules of origin is a prerequisite of attracting investments to the least developed countries. ECA maintains that Africa's transformation requires good economic policies and effective programmes over a long period of time.[12]

101. The globalization process has not, for the most part, led to employment and wealth creation in the developing countries. In Asia and the Pacific, for example, globalization, while raising awareness of the need for development, has also made developing countries in the region vulnerable to diminishing investments and trade sanctions.[13] Consequently, the GDP per capita gap between the rich and poor countries has further increased. The average income in the richest 20 countries is 37 times the average in the poorest 20 — a gap that has doubled in the past 40 years.[14] In addition, income inequality has risen in many developing countries. Therefore, development strategies and aid policies must focus on equity in addition to the reduction of absolute poverty.

102. In Latin America and the Caribbean, volatile capital flows have brought major instability to economic growth, creating important challenges on the macroeconomic front. Its export sectors and the flows

of FDI have not been sufficient to improve the region's structure of comparative advantages in ways that would enable it to move forward in changing its production patterns based on the generation of technical progress, the use of clean technologies and better environmental practices or to achieve greater social equity.[15] Indeed, the urgency of introducing the use of clean technology and sustainable environmental practices is universal for all developing regions.

103. The nexus between poverty, environment and development has become mired in the complex uncertainties of the globalization process. Among the positive experiences, the Asian Development Bank undertook a major study of a group of seven countries, which showed that successful poverty alleviation programmes have a positive impact on the sustainability of development (Poverty Reduction Strategy, 2000).

3. Natural resources issues

104. The regional reviews highlight regional priorities with regard to critical environmental and natural resources issues including: land and biodiversity, oceans and coastal resources, freshwater resources, energy and mineral resources, atmosphere and climate change and small island vulnerability. Often, there is a strong and vicious interaction between environmental degradation and poverty. The consequences of environmental degradation are also the heaviest for the poor, partly because they depend directly on the natural environment for their livelihood.

105. Biodiversity has been under serious threat owing to habitat alterations for cultivation, commercial logging, direct harvesting for export, pollution and global warming. Tropical forests are disappearing at a rate of almost 1 per cent per annum and crop genetic diversity is vanishing from fields at the rate of about 2 per cent each year.[16] A range of economic and social pressures have been exacerbating these problems. Land-use patterns and deforestation have resulted in, among other things, soil erosion in many countries, threatening the sustainability of their development. A freshwater crisis looms larger than ever in many regions with population growth and changed living conditions. While its consumption is almost twice that of its annual replenishment,[17] there is considerable wastage. In Africa, even though the projections suggest that, by 2025, some 20 countries will experience water scarcity, the continent now utilizes only about 4 per cent of the freshwater resources of its rivers and lakes.[18] In Asia, taking 1990 as the baseline, a regional projection of freshwater needs indicate that, by 2025, water requirements for crop production might increase by up to 100 per cent together with an expansion of irrigated lands by about 30 per cent; industrial water demand might increase sevenfold; water pollution in urban areas might increase 10 times; and the intensity of floods might increase owing to poor watershed condition, reduced natural drainage and climate variability.[19] Case studies undertaken by ESCWA indicate that both water depletion and water pollution are widespread among its member States.[20] The Latin America and the Caribbean region is now devoting almost half of its natural ecosystems to agriculture and stock-raising.[21]

106. Hazardous and toxic wastes discharge, land-based sources of pollution, destruction of the coastal environment and mangroves, offshore mineral exploration and exploitation, oil spills, excessive coastal tourism and overfishing have been some of the main causes of marine environmental degradation. In addition, on land, both man-made and natural contamination of soil and groundwater resources have become increasingly important among the regional concerns. Most developing countries are in need of support and assistance in the field of environmentally sound management of chemical products and other types of waste. Further, recently, there has been a growing awareness of the need to address the issue of naturally occurring contamination of groundwater (in particular, by arsenic), so as to avoid another large-scale public-health crisis such as the one already affecting millions of people in Bangladesh, China and India. Many other developing countries in Asia and in other continents are potentially at risk if no preventive action is taken. Environmental damage and growing strain on ecological balance have exposed many countries in different regions to a growing number of natural disasters and to potentially destructive natural phenomena — meteorological, seismic and volcanological, among others. Energy plays a critical role in making development possible, and its demand is growing faster than ever. Between 1970 and 1990, about 800 million additional people were reached by rural electricity programmes. Despite the enormous efforts to improve energy services delivered to rural people in the past 20-30 years, the number of people without access to electricity has remained about the same — 2 billion.[22]

4. Cross-cutting issues

107. The regional preparatory meetings stressed the urgent need for addressing a number of cross-cutting issues in order to make progress towards sustainable development. Significant among them are: institutional reform and governance; capacity-building; enabling informed decision-making; transfer of environmentally sound technology at affordable prices; promoting participation of and partnership with major groups; and ensuring gender equality and gender justice. Likewise, growth in urbanization and migration in the regions is posing serious challenges, which are reflected in growing poverty, inadequate shelter, deterioration in quality of education and health services, and rising unemployment. To create job opportunities, especially for the migrating population and the urban poor, diversified trade and investment opportunities are more essential than ever before.

108. The issue of sustainable development at the interregional level may involve natural eco-regional systems (for example, international river basins, shared water bodies, regional seas etc.) in relation to transboundary movement of environmental hazards. In certain instances, interregional collaboration is necessary for management (for example, regional climate studies); in other instances it is needed for cost-effectiveness (to avoid unnecessary duplication of effort).

5. Common but differentiated responsibilities

109. Agenda 21 cannot be successfully implemented unless the global commitments made at the United Nations Conference on Environment and Development are fulfilled and the Rio Declaration on Environment and Development principle of "common but differentiated responsibilities"[23] is followed in its letter and spirit. It means that industrialized countries have accepted greater commitments than the developing ones under the multilateral environmental agreements and it aims to ensure that costs are distributed in accordance with the financial and technical capabilities. Equitable trade and investment regimes, based on respect for comparative advantage, effective and just application of intellectual property rights and technology transfer on favourable terms, particularly in relation to tropical agriculture and medicine, should accompany this. The last-mentioned is particularly important for Africa in view of the severe public-health crisis there. In emphasizing the need to eliminate trade barriers faced by the developing countries, the regional meetings especially highlighted the need to improve market access in areas in which developing countries have comparative advantage, for example, agriculture and textiles.

6. Trade and environmental regulations

110. There is no evidence indicating that environmental regulation is limiting FDI, or that transnational corporations are less environmentally responsible than domestic firms. On the other hand, to the extent that developing countries seek better and greater participation in international trade, it is expected that there will be greater investment in services, technologies and environmental management systems and better environmental policies setting clear rules for the private sector. Increasingly, developing countries will need to change their production practices and environmental standards to bring them up to the demands of international markets.

111. The emergence of "environment-sensitive markets" with higher demands for quality and the management of products and processes, and the consequent need for adjustments to the environmental requirements of their main export markets are becoming an additional pressure on the economies of the developing countries. The way this adjustment will be achieved depends to a large extent on the type of technological and environmental management that prevails in the developed countries, since they dominate world trade and are the ones laying down the standards that have to be complied with internationally. This is causing growing fears in many developing countries that the environmental dimension may give rise to new "conditionalities" and non-tariff barriers. There is a growing need to give consideration to the relationship between trade and environment in a positive way by complementing the trade liberalization process with the proper environmental policy and capacity-building initiative, rather than avoiding the treatment of these issues in the international forums.

112. Environmental FDI, such as investments in cleaner production technologies, is generally not considered attractive by foreign investors. Furthermore, their preference for resource extractive investments tends to compromise sustainable development goals, even though these investments bring much needed capital to poor countries. In this context, Governments should carefully consider the

fact that FDI undertaken without regard to effective environmental policy regimes can, like any type of investment, result in the creation of pollution problems and other forms of environmental degradation. This is a particular risk in countries experiencing large FDI flows that overwhelm the regulatory capacity of environmental authorities. Indeed, there is no substitute for effective national social and incentive-based environmental policies and regulations. One interesting option is the following: home-country Governments might consider making risk guarantees for FDI conditional on sound environmental management by investors.

113. In cooperation with national authorities, international and regional organizations should support the development of better information on the potential impacts of foreign private flows upon sustainability. International organizations should also continue their efforts to assist national Governments in the development and implementation of "green" accounting methods, which provide essential information on the degree to which public and private investments offset the depletion and degradation of natural resources and enhance human capital. Regional commissions are already promoting programmes in these directions.

7. Development and financing: needs and trends

114. The regional preparatory meetings highlighted the fundamental importance of mobilizing adequate resources for successful implementation of Agenda 21 and the outcome of the World Summit on Sustainable Development. They recognized that the main source of development finance should be generated through greater domestic resource mobilization, inter alia, through better domestic policy environment and through innovative forms of financing that involve the private sector. However, developing countries and the economies in transition, including the least developed countries and the small island developing States, will continue to need significant inflow of international financial resources, mainly through investment and official development assistance (ODA), to achieve sustainable development. In addition, improving the effectiveness of ODA is necessary for achieving sustainable development goals.

115. The overall declining trend in ODA, both in quantum and as a percentage of donor countries' gross national product (GNP)[24] has had a severe adverse impact on sustaining the development of the poorest countries across the globe. As a proportion of donor GNP, between 1990 and 1999, on average, ODA declined from 0.34 to 0.24 per cent.[25] In real per capita terms, net ODA to the least developed countries dropped by 45 per cent in the 1990s and is now back to the level that it was at in the early 1970s.[26] Notable in this context is the fact that, on average, total debt stocks of least developed countries in 1998 corresponded to an estimated 101 per cent of their combined GNP, up from 92 per cent in 1990.[27] Between 1990 and 1996, ODA to Africa declined by 24 per cent in real terms.[28] Sustainable development in those countries cannot be achieved with the severe limitations imposed by the reduced resource flows. The outcome of the International Conference on Financing for Development, held in Monterrey, Mexico, in March 2002, hopefully signals a reversal of this trend.

116. In order to facilitate the integration of developing countries into the world economy, it is desirable to differentiate between various stages of development among the developing countries. At one extreme are the middle-income countries which have become largely integrated into the world economy (emerging market economies). At the other extreme are the poorest countries which have become increasingly marginalized. And, somewhere in between are the developing countries which face forces of both integration and marginalization — countries that are prone to bouts of integration and exclusion. All of them still need ODA for different purposes, bearing in mind that poverty and inequality are growing even in the emerging market economies.

117. Recovery from the financial crisis in Asia and other regions represents a new dimension in financing for sustainable development. In various countries, there is a renewed interest in institutional reform, particularly in the financial sector. This highlights the urgent need for new approaches to broader-based policies that address poverty, as well as sustainable resource use and environmental management.[29]

8. Domestic resource mobilization and sustainable development

118. Insofar as the bulk of financial resources for sustainable development should come mainly from domestic sources, the policy framework for mobilizing domestic resources is of particular importance. The main options include efforts at strengthening domestic

financial markets public expenditure reforms, implementing environmental taxes, and effecting political commitments to redirect financial resources through macroeconomic and structural reforms. In designing a policy framework for mobilization of domestic financial resources for sustainable development, the objective should be the integration of environmental finance into mainstream public finance. It is essential to determine specific public environmental expenditures and to create the enabling fiscal mechanisms to reduce environmentally damaging subsidies as well as to apply environmental charges, user fees, and emissions-trading programmes.[30] The challenge is obvious, since there are complex tax design requirements and the mainstream public finance agencies have limited experience in dealing with the introduction of these taxes related to environment. However, evidence compiled by the Organisation for Economic Cooperation and Development (OECD) suggests that countries may benefit from the increased use of environmental taxes and charges, provided that they are carefully designed. Furthermore, environmental taxes can help to integrate environmental dimensions into traditional fiscal policy. In the case of developing countries, steps have to be taken to strengthen their institutional capacity, the state of which is a major barrier to the use of environmental taxes and charges by them.[31]

119. Institutional changes in some developing countries, such as decentralization and devolution of taxing power to local governments, have created opportunities for subnational governments to access the international capital market without relying on central government guarantees. These instruments can improve cost-effectiveness relative to conventional regulations and can also bring forth positive environmental effects. In addition, there are interesting opportunities for environmental investment mechanisms linked to property taxes, based on the clear complementarity that exists between economic and natural assets. A successful example of the use of this instrument is offered by Colombia. This system serves to finance the environmental activities of autonomous regional development corporations, and has proved in practice to be the most significant and stable source of environmental development financing in that country. The establishment of national environmental funds reflects the emergence of another important instrument. They have been established as repositories of revenues from pollution charges, non-compliance fines, and earmarked State and international grants and allocations and debt-for-nature swaps.

9. Capacity-building and dissemination of best practices

120. High among the common needs identified by all the regions are capacity-building through better education and training and creation of public awareness concerning sustainable development and sustainable management of natural resources. In that context, a key issue is to focus capacity-building towards self-empowerment of local communities and the training of more qualified trainers. Such capacity-building programmes will not only have a multiplier effect but also take full account of appropriate solutions to meet local needs and situations. Future capacity-building efforts can build on existing initiatives, such as Capacity 21 of UNDP as well as programmes undertaken by various other institutions and bodies at the regional and subregional levels including those undertaken by the regional development banks and the regional commissions as well as the United Nations Environment Programme (UNEP). Another issue that has been gaining prominence relates to the proliferation of legal and institutional measures and the increasing number of international environmental conventions and agreements. There is an urgent need to develop capacity to understand and articulate these issues and to secure better compliance with and enforcement of these laws and conventions.

121. Capacity-building initiatives can also draw from the best practices within the regions and in between the regions, and especially from experiences gained in promoting sustainable development at the local level with Government-non-governmental organization-private sector partnerships. Already, many successful examples of cost-effective initiatives have been documented on a variety of issues. Such examples include microcredit for poverty reduction; renewable domestic energy projects; rainwater harvesting; partnership-building in urban settlements; improved farm management techniques; common property resource management; and community-based fisheries management.

10. Conclusion: a regional approach

122. One of the main challenges of the Johannesburg Summit will be to determine how the criteria of economic, environmental and social sustainability can

be made operative in the different spheres of public policy in an integrated manner. It is important to acknowledge that, for effective implementation of the global agreements on sustainable development, there is a need to adopt a differentiated approach, which can best be achieved at the regional level. The road to and from Johannesburg offers a unique opportunity to renew the regions' own agendas for sustainable development, based on each region's unique distinctiveness, while also offering the possibility of refining and consolidating the global agenda through a bottom-up approach. The starting point of the regional "own agendas" are undoubtedly the regional platforms which, with the endorsement of the respective stakeholders at the preparatory phase of the Johannesburg Summit, have already outlined some concrete initiatives for implementation.[12] An important task for the regional processes is to identify the comparative advantages of each region that can contribute to the solution of global environmental problems in an equitable way. At the same time, the regional level can provide an adequate platform for building common positions, exchanging experiences among "peer" countries and undertaking periodic regional reviews of sustainability encompassing economic growth, social equity and environmental sustainability. This responsibility should also have the objective of advancing cooperation among countries, organizations and agencies of the United Nations system, and other relevant regional organizations, including the regional development banks. All of them, in a coherent way, should find innovate ways of coping with the new and different imperatives for global governance of sustainable development and, hence, for international cooperation.

B. Cooperation among the regional commissions in given areas

1. Transport and transport facilitation

123. Globalization and liberalization are increasingly leading to expansion of intraregional and interregional trade and tourism. However, in all regions of the world, the beneficial participation of developing countries in this process is constrained by inadequate transport infrastructure and services. To help countries in addressing these issues, progress has been made by the individual regional commissions. Examples include the international land transport network in Europe developed under the auspices of ECE agreements (including the European Agreement on Main International Traffic Arteries[13] and the European Agreement on Main International Railway Lines[14]). In addition, the ongoing process of developing Asia-Europe, Africa-Europe, intra-Africa and intra-Asia land transport linkages has been making progress.

124. ESCAP is implementing an integrated Asian Land Transport Infrastructure Development project, comprising the Asian Highway, the Trans-Asian Railway and transport facilitation, and is formulating a regional land transport network. ESCWA has identified a regional network under a project entitled "Integrated Transport System of Arab Mashreq". It comprises intraregional road and rail networks, seaports and airports and a formal Agreement on International Roads in the Arab Mashreq. Similarly, ECA is promoting a regional network comprising trans-African highways, ports and railways. At the same time, ECLAC has been active in supporting the process of improving port efficiency through commercialization and enhancing international shipping services. Through these regional initiatives, considerable progress has been achieved despite the wide differences in the pace of implementation.

125. The recognition of the potential complementarities, and the need to address interregional transport linkages more effectively, prompted the convening of the first Meeting of the Directors of Divisions responsible for Transport in the Regional Commissions, held in Cairo in December 1999. That Meeting provided the opportunity for the discussion of approaches to enhancing interregional collaboration and the elaboration of a project on land and land-cum-sea transport linkages that would enable the respective member countries to more fully participate in the globalization process. In the second Meeting of the Directors held at Beirut in January 2001, the objective of the joint project "to assist member States in strengthening their national capacities for developing interregional land and land-cum-sea transport linkages and to promote interregional cooperation to facilitate interregional trade and tourism" was defined. Activities to be included in the project were also discussed and agreed. Subsequently, the project entitled "Capacity-building in the Development of Interregional Land and Land-cum-Sea Transport Linkages" was approved by the General Assembly in December 2001 with a budget of US$

1.25 million. The implementation of the project over the period 2002-2006 will result in: (a) enabling the countries to identify potential interregional transport linkages and their expected impacts on regional and economic development; (b) further strengthening the capacities of national officials in the developing countries with regard to identification of the physical and non-physical impediments to the movements of goods and passengers both by road and by rail, commercialization/privatization, inland container depot development, land border crossing practices and formalities, seaport operations, electronic data interchange applications and financing of road maintenance; and (c) operationalizing an interregional network of transport linkages.

126. The third Meeting of the Directors responsible for Transport was held from 13 to 15 March 2002 at ESCAP headquarters and focused on project implementation issues and the detailed budget allocation among the regional commissions. Some of the possibilities discussed included increased collaboration between the regional commissions in the implementation of the work programme, through a sharing of resources and experience; and the harmonization of transport statistical information/databases maintained by the regional commissions, with a view to effecting their possible future consolidation at the global level. It was also recognized that, with each of the regions facing similar underlying problems in the transport sector, there was a substantial opportunity for a more meaningful exchange of ideas with respect to forward planning of research and analysis which would create a better understanding of the linkage among mobility, access and development.

2. ECLAC/ESCAP interregional cooperation in trade and investment

127. ECLAC and ESCAP continued to explore the possibility of carrying out a second phase of the joint project on Interregional Cooperation in Trade and Investment whose first phase had been implemented in 2000 with the financial support of UNDP. This second phase would focus on the main conclusion of a joint seminar held in conjunction with UNCTAD at its ninth session in Bangkok, Thailand. The efforts of both regional commissions would be focused on small and medium-sized enterprises in the two regions, preferably using the new means of information technology. The second phase of the project will be initiated upon identification of an additional source of funding.

3. Trade facilitation

128. There is a high level of cooperation among the regional commissions regarding trade in the areas of trade facilitation and standards development, with ECE leading the process. A brief description of the current work in each of these areas is provided below.

129. All regional commissions are assisting ECE in organizing an International Forum on Trade Facilitation, to be held in Geneva, on 29 and 30 May 2002. The Forum will focus on the trade facilitation issues of developed, developing, transition and landlocked economies and will seek to build a new agenda for future work and direction in this area. ECE launched the United Nations Electronic Trade Documents (UNeDocs) project, which is supported by ESCAP and ESCWA. The aim is to promote and provide tools for the use of trade documents that are aligned to international trade standards in paper and electronic format. Together with ESCWA and ECA, ECE started a project for "Capacity-building in trade facilitation and electronic business in the Mediterranean region".

130. Supported by ESCAP and ESCWA, ECE launched a common web site called UNeTradeS.Net (http://www.UNeTrades.Net) which provides global trade solutions for the trading community with loadable versions of United Nations codes, information on trade facilitation tools and techniques and technical cooperation projects. The web site is run by ECE with support from ESCAP and ESCWA. Also in cooperation with ESCAP and the European Article Numbering Association (EAN International), ECE promoted the implementation of its commercial agricultural quality standards at the Asian seminar on "Safe and High-quality Food for International Trade", held in April 2002 in New Delhi.[35] The seminar provided recommendations for follow-up workshops and training courses to enhance the ability of Asian countries to trade their agricultural produce internationally.

4. ECE/ECA/ESCWA cooperation in the Mediterranean

131. This joint Mediterranean initiative comprises three thematic areas, namely, in the area of

groundwater and environment, alternative funding mechanisms for renewable energy and energy conservation projects, trade facilitation, and electronic business with a focus on small and medium-sized enterprises. A number of Mediterranean countries are facing common environmental problems and development constraints related to water scarcity and resource degradation, and many are becoming increasingly dependent on internationally shared water resources, in particular groundwaters. Substantial experience exists in monitoring, assessment and management of groundwaters at regional level, especially within ECE. Based on this and other experiences, a joint ECA-ECE-ESCWA project proposal is being formulated aiming at developing tools and mechanisms for sustainable utilization, management and protection of internationally shared groundwater resources in the Mediterranean region, with ESCWA as lead organization. Research institutes based in the European Union (EU) have been approached for funding through the MEDA programme of the European Commission, and alternative extrabudgetary funding is also being explored.

132. The second joint project for the Mediterranean is on exchanging regional experiences and best practices in alternative approaches to financing renewable energy and energy conservation projects. ECA, through its Subregional Development Centre for the North Africa region, located in Tangier, has taken the lead in implementing this initiative. The activities are being modified and updated to reflect the new orientations resulting from the World Summit on Sustainable Development process.

133. The third project involves capacity-building to improve facilitation and e-business in the countries in the region. This project, which is funded by the Development Account, aims at improving the competitiveness of companies, small and medium-sized enterprises in particular, in non-EU countries, in regional and global markets through simplifying and harmonizing trade procedures throughout the transaction chain. ECE is the lead agency for this project. Preliminary discussions have taken place with institutions, which are currently implementing EU/MEDA projects in order to build synergy, particularly so as to enhance the performance of small and medium-sized enterprises. Cooperation is also initiated with regional chambers of commerce. The first task of the project, which is to identify project member organizations within participating countries, has already started.

5. Special Programme for the Economies of Central Asia (SPECA)

134. The Special Programme for the Economies of Central Asia (SPECA) is a joint undertaking of the Central Asian States, ECE and ESCAP, aimed at having the Central Asian countries act together to address issues of common concern. The programme will support the Central Asian republics in developing their cooperation, creating incentives for economic development and integration in economies of Europe and Asia.

135. Over the last three years, ESCAP and ECE have been working jointly within the framework of SPECA which is aimed at strengthening capacities of the Central Asian countries with a view to developing intraregional cooperation and facilitating integration of Central Asian countries into the world economy.

136. The implementation of SPECA has been steered by the Regional Advisory Committee (RAC), which held its third session in Bishkek on 13 and 14 February 2002. In addition to providing guidance to three Project Working Groups, namely, on rational and efficient use of energy and water resources, transport infrastructure and border crossing facilitation, and its involvement in an international economic conference on Tajikistan, RAC has initiated the creation of the Business Cooperation Council for the promotion of international trade and investments directed towards Central Asian countries.

137. Under the auspices of the Project Working Group on Rational and Efficient Use of Energy and Water Resources, a draft concept of the regional strategy on efficient use of energy and water resources, aimed at optimization of the use of water for both irrigation and hydropower generation, has been formulated and discussed. The proposed draft strategy is based on two diagnostic studies, one on water issues and the other on energy issues, which have been recently finalized for submission to the Governments of Central Asian countries for approval. The ongoing Development Account-funded project on "Rational and Efficient Use of Energy and Water Resources in Central Asia" has greatly facilitated the work of this Working Group. The Working Group has also institutionalized cooperation with the Tashkent branch of the International Fund for

Saving the Aral Sea through a Memorandum of Understanding to achieve synergy through joint activities.

138. In the field of transport, to complement the work of the Project Working Group on Transport and Border Crossing Facilitation, ECE and ESCAP collaborated in integrating this element into the project entitled "Capacity-building through cooperation in developing interregional land and land-cum-sea transport linkages", funded from the Development Account. The Project Working Group has underscored the importance of border crossing issues and the need to establish national committees on transport facilitation and border crossing simplification and to intensify collaboration among SPECA member countries. It considered a draft Memorandum of Understanding among SPECA member countries on the facilitation of international road transport, which would be signed at the ministerial level.

139. The Project Working Group on the International Conference on Tajikistan is involved in the preparatory work for the Conference, tentatively scheduled for October 2002. Several investment proposals for consideration at the Conference have been prepared. Linked thereto, a medium-term strategy for economic development in Central Asia is being revised in the light of the current situation in the subregion.

140. Although SPECA offers an excellent opportunity for Central Asian countries to accelerate their economic and social development through mutually beneficial cooperation, not all five Central Asian economies are actively participating in the programme activities. At the same time, neighbouring countries have shown interest in participating in SPECA. The Government of Azerbaijan has already made a formal demarche to join SPECA with the suggestion that international cooperation be activated for the development of diversified pipeline transportation of hydrocarbon resources to the world market.

6. ECE/ESCAP cooperation in the field of energy

141. ESCAP and ECE have been closely cooperating in the field of energy for sustainable development. This cooperation has mainly focused on (a) promotion of sustainable energy policies in Central Asia; (b) enhancing security of supplies in north-east Asia; and (c) the reassessment of energy/mineral commodities in ESCAP member States. The regional project on the "Rational and Efficient Use of Energy and Water Resources in Central Asia", funded under the Development Account ($1.75 million), has now reached its halfway mark, with project completion anticipated in 2003. Both regional commissions have shared responsibility for its implementation. During the period under review, ECE and ESCAP have coordinated their energy activities and extrabudgetary resources and jointly published the "Guide for the Promotion of Energy Conservation Regulations in Economies in Transition". ECE has collaborated in the organization of the First ESCAP North-East Asia Expert Group Meeting on Intercountry Cooperation in Electric Power Infrastructure (held in Khabarovsk, Russian Federation, October 2001); and in the ESCAP Training Course on Energy Management (scheduled for Ankara, Turkey, June 2002). In addition, as a follow-up to the joint ESCAP/ECE Seminar on the Implementation of the United Nations Framework Classification for Reserves/Resources (held in Bangkok, Thailand, October 1998), ESCAP has continued to promote the practical implementation of the Framework Classification, developed under the auspices of ECE, by organizing seminars with ESCAP member States.

7. Statistics

142. The ECE Statistical Division planned and organized an ECE-ESCAP joint workshop on the Fundamental Principles of Official Statistics in Ulaanbaatar, Mongolia, on 13 and 14 December 2001. The workshop was financed by the World Bank, and it was intended for senior managers in the statistical offices of CIS countries and other less statistically advanced countries in the ESCAP region. The workshop was attended by approximately 40 participants, and included representatives of Cambodia, China, the Lao People's Democratic Republic, Mongolia, Myanmar, the Russian Federation, Tajikistan and Ukraine, as well as representatives of various different international organizations. Subject to agreement's being reached with the World Bank, a follow-up workshop will be organized in 2002 for some nine CIS countries that were not able to participate in the above-mentioned workshop.

8. Gender equality

143. Cooperation among the regional commissions is mainly within the framework of the Inter-Agency

Network on Women and Gender Equality on "Gender indicators for the follow-up of the Beijing Platform for Action", coordinated by ECLAC on behalf of the five regional commissions. Since ECLAC received this mandate at the sixth session of the Network (New York, 27 February-2 March 2001) (see ACC/2001/3), collaboration has been specially strong with ECE, and both regional commissions have launched web sites containing updated comparative indicators for the follow-up of the Beijing Platform for Action.[36] ESCAP, ECA and ESCWA have joined this interregional cooperation initiative and one major expected output should be the creation of networks of user-friendly regional web sites that will include complete statistical databases, which would facilitate the follow-up of the situation of women in most countries of the world for international organizations, national Governments and organizations of civil society.

144. ECLAC, on behalf of the regional commissions, has made a significant contribution to the survey mandated by the Inter-Agency Network on Women and Gender Equality aimed at obtaining an inventory of existing resources within the United Nations and identifying the main challenges regarding the use of indicators for the Beijing follow-up.

145. In addition, the inter-agency project on capacity building of national machineries for governance with a gender perspective in Latin America, designed by ECLAC and to be implemented during 2002-2004 with funds from the Development Account, would suggest collaboration with the Division for the Advancement of Women of the United Nations Secretariat and ECA, which have implemented a similar project in Africa. Joint activities to exchange experiences are foreseen in the execution of both projects.

III. Further measures undertaken by the Commissions since spring 2001 to achieve greater effectiveness and efficiency

Economic Commission for Europe (ECE)

146. At its session in 2001, the Commission, with a view to strengthening the overall policy coherence and communication in ECE, decided to establish a Steering Group made up of the Executive Secretary, the members of the Commission's Bureau and the chairpersons of the Commission's Principal Subsidiary Bodies. The fact that the Steering Group met for the first time in November 2001 and defined its role as a consultative body should help to consolidate a common approach of all sectoral Principal Subsidiary Bodies and to ensure the continued relevance of ECE in a rapidly changing regional constellation. In this connection, the Group provided guidance on various issues, including the preparation and follow-up to United Nations summits, including the ECE Ministerial Conference on Sustainable Development. The Group will meet again in the context of the 2002 annual session.

147. Within the secretariat, a management retreat for ECE programme managers was held in November 2001. Follow-up to that retreat included the establishment of a task force to assess to what extent the policy analysis work of ECE could be further expanded and made more visible, particularly for better addressing the intersectoral/cross-sectoral issues, as well as the establishment of a task force to focus on the simplification of internal procedures with a view to improving working methods.

Economic and Social Commission for Asia and the Pacific (ESCAP)

148. In summer 2000, and in light of resolution 53/1 of 30 April 1997[37] which had called for a review of the conference structure of the Commission including its thematic priorities and subsidiary structure, at its fifty-eighth session (to be held from 16 to 22 May 2002), ESCAP launched a comprehensive revitalization exercise concentrating on the Commission's programme, conference and subsidiary structures. A central aspect of the revitalization exercise concerned the establishment of a programmatic framework that would allow ESCAP to allocate the majority of its financial and human resources to fewer focus areas. The revised programme structure of ESCAP will focus on three themes, namely (a) poverty reduction, (b) managing globalization (which will include a new subprogramme on information and communications technology) and (c) addressing emerging social issues. In implementing the new programme of work, ESCAP will seek to (a) achieve a balance between its normative, analytical and policy-oriented work and its technical cooperation activities; (b) mobilize additional extrabudgetary resources; (c) concentrate on larger,

high-impact projects rather than continue to support the proliferation of small and mini-projects; and (d) ensure, through ongoing formal and informal exchanges with all stakeholders, that the programmes and activities of ESCAP are needs-oriented and member-driven.

149. A proposed conference structure that will serve to provide an optimal framework for the delivery of the proposed programme structure has been developed by the secretariat, in close consultation with ESCAP members and associate members. The proposed conference structure will not only reflect the three overarching themes, but also provide for in-depth discussions of sectoral issues including statistics, environment, transport etc.

150. A considerable effort has been taken and continues to be taken to ensure that the secretariat structure will be able to implement the proposed revised work programme effectively and efficiently. Towards this end, ESCAP has received extensive advice from the United Nations Office for Project Services (UNOPS) and the Office of Internal Oversight Services of the United Nations Secretariat (OIOS) as well as a number of management and administrative experts. At the senior management level, new mechanisms to ensure the inter-thematic and inter-divisional exchange of information and cooperation have been put in place. Moreover, the Headquarters-driven "people management" training programme is being undertaken. One major initiative undertaken by the secretariat relates to strengthening the ESCAP system of programme and project planning, monitoring and evaluation, with a view to measuring and eventually significantly enhancing the impact of the Commission's work programme. New monitoring and evaluation guidelines, covering the programme and projects, are being developed and will have been adopted and implemented by the second half of 2002. In parallel, ESCAP staff has been receiving extensive training in project planning, monitoring and evaluation.

Economic Commission for Latin America and the Caribbean (ECLAC)

151. The sixth meeting of the Ad Hoc Working Group established pursuant to ECLAC resolution 553 (XXVI),[39] which took place in Santiago, Chile, on 30 and 31 August 2000, included in its agenda a review of the progress recorded by ECLAC in modernizing internal management procedures. At the meeting, the secretariat reported on the full incorporation of the Latin American and Caribbean Institute for Economic and Social Planning (ILPES) into ECLAC, a measure of particular relevance for its training activities. The establishment of the ECLAC office in Bogota was also mentioned. Attention was also drawn to the incorporation of performance indicators in the Commission's programme of work and to the dissemination activities being carried out by the Commission to project its activities and publications, both in print and in electronic form. A new uniform style had been adopted for the graphic design of the publications and a dynamic line of publications were being produced jointly with commercial publishing houses. With respect to electronic publications, visits to the ECLAC web site had increased exponentially, and the site was being redesigned to reflect the veritable revolution being recorded in the field.

152. Another issue of particular relevance addressed at the meeting was the importance for countries to remain in constant touch with the secretariat to ensure that the region's priorities were duly reflected in the programme of work. In this regard, it was proposed that clear-cut procedures should be established to govern coordination and interaction between the secretariat of the Commission and regional and subregional integration groupings in Latin America and the Caribbean.

153. In addition to the activities reported at the Meeting of the Ad Hoc Working Group, the secretariat's systematic efforts to improve and enhance the efficient functioning of the Commission are being complemented currently with several ongoing projects such as: (a) negotiation on a tariffs discount with airline carriers; (b) outsourcing of services in the support areas; (c) rationalization of the distribution list of ECLAC documents and publications; and (d) reduction in the costs of telecommunications services.

Economic Commission for Africa (ECA)

154. During the past few years, ECA has implemented a wide-ranging programme to continuously reform itself, sharpen its focus on the key priorities in Africa's development, modernize its modes of operation, and strengthen its delivery capacity. It has progressively rationalized its subprogramme structure by regrouping

related areas of priority. As a consequence, the Commission's subprogrammes, which previously numbered 21, have been reduced to 8.

155. Similarly, the number of ministerial conferences and subsidiary technical committees of the Commission were progressively reduced from 32 to 13, and then to 8, with only one Ministerial Conference retained — the Joint Conference of Ministers of Finance, Economic Development and Planning which serves as the principal legislative organ of the Commission. This has resulted in eliminating overlapping organs that deal with related issues, and fewer subsidiary bodies.

156. Its recurrent and non-recurrent publications have been greatly reduced. At the same time, ECA has expanded other types of outputs, notably training seminars, workshops and symposiums, where services were deemed essential for greater impact. Overall, the total number of quantifiable outputs has dropped from 348 in the biennium 1996-1997 to 206 budgeted in the current biennium 2002-2003. Fewer outputs should mean more in-depth coverage of issues, more rigour, and more timely production of publications. Although for systems, processes and policies for achieving enhanced impact, much remains to be done, ECA is, accordingly, currently paying greater attention to the planning and phasing of products, more systematic peer reviews of publications and more rigorous technical editing.

157. ECA also needs to enhance its evaluation function. In particular, impact assessment needs to be significantly strengthened and user feedback fed into new programme developments.

Economic and Social Commission for Western Asia (ESCWA)

158. During the past year, ESCWA embarked on a major restructuring exercise which led to the revision of its medium-term plan for the period 2002-2005 and its programme budget for the biennium 2002-2003. (The substantive implications of restructuring are described earlier in the report.)

159. The priority-setting and restructuring exercise of ESCWA has necessitated the adoption of several measures. One is the strengthening of substantive divisions, through redeployment of resources from the support services. Another is the formulation of teams with flexible structures to implement clusters of interrelated activities and ensure multidisciplinary implementation of activities. For the sake of improved effectiveness and efficiency, the number of outputs for the biennium 2002-2003 was reduced, in pursuit of more focused outputs and of quality rather than quantity.

160. The following additional administrative measures were also implemented to achieve greater effectiveness and efficiency:

(a) An in-house travel agent will be provided to render travel management services to the United Nations organizations in Lebanon. This will result in the reduction of the administrative workload and of travel costs and streamline official travel-related procedures;

(b) The ESCWA web page has been redesigned and Arabic pages have been introduced so as to ensure wider information dissemination in the region;

(c) ESCWA will enhance Integrated Management Information System (IMIS) training so as to improve the management of substantive divisions and support services and in order to receive accurate and timely cost status reports;

(d) A user-friendly handbook is being planned to serve as a guide for the staff of the Personnel Section. As it will be used as a reference by all staff, this should result in achieving greater efficiency in personnel work and provide greater transparency for staff at large;

(e) The ESCWA library has become part of the United Nations library Consortium and thus has been able to benefit from savings when securing access to databases that are bought through the United Nations Consortium;

(f) The establishment of a multimedia (computer/video-based) self-study centre for staff training in various areas, such as language and information technology, has resulted in flexibility in scheduling and access to training sites in other countries without travel costs being involved.

IV. Report of the Executive Secretaries

161. During the period under review, the Executive Secretaries of the five regional commissions held joint

meetings in Geneva from 18 to 20 July 2001, in New York on 21 November 2001, and in Monterrey, Mexico, on 18 March 2002. These were held in conjunction with the substantive session of the Economic and Social Council as well as with the International Conference on Financing for Development and the preparatory process that had preceded it. The Executive Secretaries exchanged views on global development issues that require a coherent view and concerted action at all levels and on the important role the commissions play in bringing the regional dimension to these development issues and problems. In this regard, they noted that meetings of the Executive Secretaries constitute a very effective coordinating mechanism, not only for exchange of information on the perspectives and activities of the commissions, but also for substantive collaboration, particularly in response to specific development themes or in areas of common concern. Beyond the existing cooperation among the commissions, they underscored the necessity of working with their partners in the United Nations system for information-sharing and distribution of tasks. In that context, different components should be assigned to different entities, on the basis of their comparative advantages, so as to ensure the best performance of the tasks put before the Organization and the United Nations system. The Executive Secretaries also discussed these issues at the meetings of the Executive Committee on Economic and Social Affairs and at the joint meetings they held with the executive heads and senior management of UNCTAD, UNDPT, the Office of the United Nations High Commissioner for Human Rights, the United Nations Industrial Development Organization (UNIDO), the World Intellectual Property Organization (WIPO) and the International Telecommunication Union (ITU). In addition, the Executive Secretaries exchanged views on how the work of the intergovernmental bodies of the regional commissions and other regional bodies should be harnessed to give coherence to the activities of the regional commissions and other regional bodies. They also exchanged views on the next phase that had been initiated by the Secretary-General and the programmatic assessments, which the commissions would undertake in that context.

162. In view of the important role given to the regional commissions in the preparatory process for the Monterrey Conference, the subject of financing for development received high priority in the secretariats of the commissions and particularly at the meetings of the Executive Secretaries. The series of preparatory intergovernmental and expert group meetings in the five regions as well as the interregional meeting jointly organized by the commissions and the related discussions at the meetings of the Executive Secretaries brought invaluable regional experience and perspectives to the process and led to a joint position on financing for development. The Executive Secretaries look ahead to engaging the regional commissions more effectively in the follow-up to the International Conference on Financing for Development. The spirit of the Monterrey Consensus (A/CONF.198/11, chap. I, resolution 1, annex) and the mandate given to them therein (para. 64) require the regional commissions, inter alia, to foster policy dialogue among countries at the regional level on macroeconomic, financial, trade and development issues.

163. The Executive Secretaries' view is that progress in achieving some of the objectives of the millennium development goals, such as poverty reduction in developing countries, will require substantial additional resources for development, whether external or domestic. One problem underlined was the negative impact of the existing financial infrastructure in many developing countries on the scope for the development of competitive small and medium-sized enterprises and microenterprises. The underdeveloped state of the banking system and capital markets tends to raise the cost and restrict the availability of credit for such enterprises, which should be the dynamic element in their countries' development. Although credit risk insurance is still at an early stage in most developing countries, public support of these systems with respect to providing credit access for small and medium-sized enterprises has proved useful.

164. With respect to external financing, the Executive Secretaries emphasized the need to enhance the predictable flow of official development assistance (ODA), especially to priority regions or groups of countries, namely, Africa, the least developed countries, landlocked developing countries, some small island developing countries and low-income countries of CIS. Without substantial additional ODA, these disadvantaged groups of countries will find it very difficult, if not impossible, to achieve the millennium development goals. They agreed that debt relief to the most indebted countries, which face an unsustainable debt burden, should also be reconsidered, and should

be granted in the context of improvements in economic management and governance. Similarly, countries with the added burdens of HIV/AIDS would require additional support. Humanitarian needs and the demand for global public goods are growing. Funding for the United Nations Global AIDS and Health Fund to fight AIDS, tuberculosis and malaria, as well as other new initiatives, is urgently required and should be additional to regular ODA.

165. The Executive Secretaries fully supported the call by the Monterrey Consensus for further progress in the coordination of assistance. Conflicting donor aid procedures and reporting requirements impose a significant burden on the limited capacities of recipient countries and undermine aid effectiveness. Follow-up to the Monterrey Conference should aim to stimulate the needed political impetus among bilateral and multilateral partners to disburse funds quickly within a coherent framework of assistance. It should also aim to introduce and accelerate reforms in their lending and aid policies and practices, so as to reduce the transaction costs associated with doing business with them.

166. The Executive Secretaries were also of the view that ODA will not have the expected impact unless it is complemented by effective institutions that promote growth as well as address the social dimensions of economic development. International organizations, as well as the regional commissions, can play an important role in promoting capacity-building and a legal and institutional framework. The experience of the 1990s has demonstrated that any such framework needs to address the vital issues of governance, including economic and corporate governance, and that public institutions free of corruption are a necessary condition for effective mobilization and allocation of domestic and international resources. Strong support was also expressed for the call by the Monterrey Consensus for a strengthening of the participation in norm-setting of developing countries and countries with economies in transition (para. 62). The work of the commissions in this area has contributed to capacity-building in some regions and the Executive Secretaries agreed that successful experience in this area should be replicated in other regions, in order to bring greater benefits.

167. Another important aspect of financing for development is the support of policy dialogue and advice at the regional level, which the commissions would provide. Economies at different levels of development face varying macroeconomic challenges and countries should assess their capabilities in terms of their human resources development and efficacy of institutions in formulating and implementing policies prior to taking on tasks for which they may not be fully prepared. Although developing countries cannot opt out of globalization, their participation should proceed at a measured pace and, as mentioned in the Monterrey Consensus, should take into account the social costs of adjustment programmes. Most important, they should ensure that sustainable development, social development and environmental protection are not sacrificed to growth.

168. Trade policy reforms are not merely a matter of reducing or abolishing tariffs. They also have to do with facilitating trade by reducing transaction costs and filling the information gaps concerning markets and their organization, which can be as bad for trade as tariffs. Governments should give equal emphasis to the provision of public goods for promoting trade in the form of advice, market intelligence and quality standards. These are areas in which the commissions are providing assistance to member countries, in close collaboration with other agencies, in respect of facilitating membership in the World Trade Organization. Most least developed countries have not yet acceded to membership in the World Trade Organization, although some have been trying to do so for almost a decade.

169. Attracting foreign direct investment (FDI) and maximizing its growth impact are an issue of considerable importance to most developing countries and countries with economies in transition. The benefits of FDI can be amplified through spillovers to local firms. Experience indicates that multinational corporations contribute to output and employment by restructuring acquired enterprises, investing in new capacity and/or improving the efficiency of existing operations. At the same time, the experience of many developing countries indicates that such spillovers are not automatic. Therefore, it is essential that FDI policies be consistent with national development strategies. FDI may have some negative effects if it simply displaces domestic competing investment. The Executive Secretaries agreed that experiences with the promotion of linkages with the domestic productive sectors might be a particularly fruitful area for

exchange of information between the regional commissions.

170. In addition to the volatility of short-term capital flows, sharp swings in the volume of private financing for developing countries have been one of the most disturbing features of the international economic system over the past three decades, with severe economic and social costs for developing countries. In the view of the Executive Secretaries, this situation must be addressed by means of a comprehensive approach to international cooperation. This should provide for macroeconomic policies having a more clearly preventive orientation during economic booms, together with more information and better regulation of financial markets, an adequate supply of exceptional financing from the International Monetary Fund (IMF) during times of crisis, a clear delimitation of the scope of the conditionality applied by the Fund, and multilateral mechanisms for dealing with the debt overhang.

171. The key objectives should be to diminish capital volatility at its source and to make room for the adoption of counter-cyclical macroeconomic policies by developing countries. One of the explicit objectives of international cooperation should be to smooth out business cycles in developing countries. The comprehensive nature of this approach also means that its various components should be seen as complementary elements, rather than as alternative ones. Therefore, the creation of multilateral schemes for dealing with debt overhangs should not be seen as a substitute for emergency IMF funding, whose purpose is to resolve problems of liquidity.

172. The abrupt cycles in private external financing underscore the continuing importance of multilateral development banks. These banks play a crucial role in combating poverty and in providing external financing to countries lacking access to private capital markets, especially the poorer and smaller nations. They also perform the vital functions of providing external finance to middle-income countries when capital flows dry up, and serving as catalysts for private resource flows, as technical assistance mechanisms, as policy forums and as suppliers of global public goods, in close cooperation with the United Nations system.

173. The need to look at international financial cooperation as a concerted effort by institutional networks, rather than as the result of the work of a few international agencies, was emphasized. Viewed from this perspective, the situation provides broad scope for action by developing countries in the creation of subregional development banks, reserve funds and mutual support agreements among central banks, as well as the establishment of macroeconomic and regulatory cooperation schemes. The key role to be played by such regional and subregional bodies should be explicitly acknowledged by the international community. The International Monetary Fund of the future should be seen as a network of regional reserve funds rather than as a single global institution, and the creation and consolidation of subregional development banks should be one of the primary tasks of the World Bank and the regional development banks.

174. There have been a number of interesting experiences involving regional and subregional institutions in the developing world and while these experiences are highly specific to each region, they serve as a basis for productive interregional exchanges on best practices. Other interregional and intraregional aspects of financing for development, such as trade facilitation and FDI promotion, should further accelerate cooperation among the regional commissions in these areas.

175. The Executive Secretaries also exchanged views on the programmatic review currently being undertaken by the regional commissions, as part of the Secretary-General's second set of reforms of the Organization for strengthening its support to the United Nations Millennium Declaration principles and priorities. They reviewed the approach to be pursued by their respective secretariats. This would take stock of how far the regional commissions have come in their reform since the adoption of Economic and Social Council resolution 1998/46 and would indicate priority areas under which further work needs to be undertaken. They agreed that their respective programmatic assessments would need to consider: (a) how to further align their programme of work with the Millennium Declaration goals and the emerging needs of the member States of their respective regions; (b) how to better define the primary beneficiaries of their respective work and activities so as to improve their outreach to Governments, which are their main intended users, as well as to other relevant beneficiaries such as civil society and the private sector; and (c) how to enhance coordination between the regional commissions and other relevant entities within the United Nations

system. In this connection, the Executive Secretaries of ESCAP and ESCWA briefed the other Executive Secretaries of the recent priority-setting and restructuring exercises of their commissions, which had been endorsed by their respective intergovernmental bodies. While they were designed to promote convergence with the emerging priorities of their regions, they should also strengthen their support to the implementation of the Millennium Declaration goals at the regional level.

176. The Executive Secretaries agreed that the identification of new areas of work need to be guided by three important criteria. First, member States of their respective regions should consider them a necessary response to high-priority issues. Second, they should be based on the commissions' comparative advantages and consolidated areas of expertise. Finally, they should support a common overall vision and agenda by linking research and analysis with normative standard-setting and policy advice; they should help build partnerships focused on dialogue and collaboration among all stakeholders; and they should strengthen the linkage between their operational activities and normative work so as to provide concrete support for the development efforts of their member States. In short, the commissions would consolidate their activities and align them around the high-priority needs of their respective regions, which are interlinked with the achievement of the millennium development goals.

177. The Executive Secretaries also focused their discussions on two other issues that are connected with the improvement of support by the United Nations to the implementation of the United Nations Millennium Declaration. These are: (a) the need to build stronger bridges between the United Nations and non-United Nations organizations; and (b) the necessity of creating effective linkages between the regional and global levels. With respect to building stronger connections between the commissions and other bodies in their respective regions, the Executive Secretaries were all in agreement that significant progress had been achieved, although more needed to be done towards strengthening collaboration in support of regional priorities. They noted that some apparent overlap of mandates given to the regional commissions and to other regional bodies might actually benefit member States, as they could provide different perspectives or ways of addressing development issues, for example, poverty reduction and financing for development. Moreover, these may result in public policy debates, which would ultimately align political will with these priority issues. Nonetheless, in the view of the Executive Secretaries, and again given the limited resources available, efforts should be intensified by member States and the secretariats of the regional commissions and other regional organizations alike to ensure that mandated activities would reinforce synergies and lessen duplication of efforts. Intensified collaboration between the organizations at the regional level, based on their comparative advantages and expertise, can provide support to many countries in reaching the millennium development goals. Since legislative mandates emanate from the highest political or equivalent organs in the regions, the secretariats of the various regional organizations, including those of the commissions, are in principle bound to comply with them. However, member States should consider establishing appropriate mechanisms to ensure an effective way to disseminate information to related ministries within the Government on the different mandates given to various organizations, with a view to promoting greater synergy and reducing overlap of mandates.

178. The necessity of creating effective linkages between regional and global levels cannot be overstated. Ensuring coherent linkages between the regional commissions and global bodies is necessary for the intellectual and policy debates at the global level. The commissions serve as channels to the regions for global decisions and they have been quite successful in bringing global concerns to bear on the policy dialogue of the member States at the regional level. Moreover, the commissions have a well-recognized role of serving as forums for articulating regional perspectives on global issues, but it has often been the case that those perspectives were not effectively integrated in the global documents and debates. The Executive Secretaries expressed satisfaction with the participation of one or more Executive Secretaries in the high-level dialogue and the high-level segment of the substantive session of the Council. Nonetheless, in their view, policy dialogue could be further strengthened if the regional perspectives were injected into the reports prepared for the global meetings. This matter is being pursued within the framework of the Executive Committee on Economic and Social Affairs.

179. The Executive Secretaries were also of the view that the regional coordination meetings between the secretariats of the regional commissions and those of the funds and programmes, agencies and entities engaged in regional and intercountry activities, required strengthened commitment on behalf of all concerned for improved collaboration. These meetings had been intended by the Council in annex III of its resolution 1998/46 for the purpose of achieving greater coherence among the activities of the United Nations system at the regional level. Progress has been made at the country and headquarters levels and the regional coordination meetings were intended to give stronger support to this process at the regional level without creating cumbersome and costly bureaucratic layers. The strategy of the United Nations support to the millennium development goals would necessitate a much closer coordination and collaboration between the regional structures of funds, programmes and the specialized agencies and the regional coordination meetings need to be strengthened for this purpose.

Notes

[1] See General Assembly resolution 55/2.

[2] General Assembly resolution 46/151, annex, sect. II.

[3] See *Legal Instruments Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, done at Marrakesh on 15 April 1994* (GATT secretariat publication, Sales No. GATT/1994-7.

[4] *Report of the United Nations Conference on Environment and Development, 3-14 June 1992*, vol. I, *Resolution Adopted by the Conference* (United Nations publication, Sales No. E.93.I.8 and corrigendum), resolution 1, annex II.

[5] See Millennium Lecture entitled "Fulfilling Africa's promise", by K. Y. Amoako, 17 December 2001, sect. I (http://www.number10.gov.uk/output/page1499.asp).

[6] See *The Least Developed Countries: 2000 Report* (United Nations publication, Sales No. E.00.II.D.21), table 7.

[7] See Asian Development Bank, *Asian Development Outlook, 2001* (New York, Oxford University Press, 2001).

[8] See Phnom Penh Regional Platform on Sustainable Development for Asia and the Pacific (E/CN.17/2002/PC.2/8), adopted at the High-level Regional Meeting for the World Summit on Sustainable Development, Phnom Penh, 27-29 November 2001.

[9] See *Preliminary Overview of the Economies of Latin America and the Caribbean, 2001* (United Nations publication, Sales No. E.01.II.G.182), Summary.

[10] See World Bank, *World Development Report 2000/2001: Attacking Poverty* (New York, Oxford University Press, 2001), table 1.1.

[11] Ibid., p. 24 and figure 1.1.

[12] See ECA, *Transforming Africa's Economies: Overview* (Addis Ababa, ECA, 2001).

[13] See *State of the Environment in Asia and the Pacific* (United Nations publication, Sales No. E.01.II.F.8), p. 119.

[14] See *World Development Report* ..., p. 3.

[15] See ECLAC, *Globalization and Development* (LC/G.2157 (SES.29/3)) (Santiago, ECLAC, 2002).

[16] See *Development Dialogue, 1999: 1-2* (*The ETC Century: Erosion, Technological Transformation and Corporate Concentration in the Twenty-first Century* by Pat Roy Mooney) (Uppsala, Sweden, Dag Hammarskjöld Foundation), p. 9.

[17] Ibid.

[18] Presentation by K. Y. Amoako, ECA, of the regional perspective during the preparatory process for the World Summit on Sustainable Development (2001).

[19] ADB, "The Bank's policy on water", working paper (Manila, 1998).

[20] See ESCWA, *Sustainable Development Planning in ESCWA Member States* (E/ESCWA/ENR/2001/9).

[21] ECLAC and the United Nations Environment Programme (UNEP), *The Sustainability of Development in Latin America and the Caribbean: Challenges and Opportunities* (LC/G.2/45 (CONF.90/3)/1).

[22] UNDP/Department of Economic and Social Affairs of the United Nations Secretariat/World Energy Council, *World Energy Assessment* (United Nations publication, Sales No. E.00.III.B.5), p. 21.

[23] See *Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992*, vol. I, *Resolutions Adopted by the Conference* (United Nations publication, Sales No. E.93.I.8 and corrigendum), resolution 1, annex I, principle 7.

[24] Barring the examples of Denmark, the Netherlands, Norway and Sweden, which fulfilled the target of 0.7 per cent of national GNP or exceeded it.

[25] UNDP, *Human Development Report 2001* and addendum (New York, Oxford University Press, 2001), Human Development Indicators, table 14.

[26] *The Least Developed Countries: 2000 Report* ..., p. 60

and chart 29.

[27] Ibid., overview, p. VII, sect. entitled "The persistent external debt burden".

[28] *Transforming Africa's Economies: Overview* ..., p. 45.

[29] J. A. Ocampo, Statement on financing for sustainable development presented at the ninth session of the Commission on Sustainable Development (2001).

[30] In this regard, the ECLAC/UNDP Joint Project "Financing for the Environment" began in 2000 analysing public environmental expenditures for seven Latin American and Caribbean countries.

[31] In the ECLAC region, this conclusion is supported by findings of the ECLAC/UNDP Project "Application of Economic Instruments for Environmental Management in Latin America and the Caribbean" (1999-2002).

[32] For details, please see the reports of the regional preparatory meetings for the World Summit on Sustainable Development referred to above. These are also available at the web sites of the various regional commissions.

[33] United Nations, *Treaty Series*, vol. 1302, No. 21618.

[34] Ibid., vol. 1530, No. 26540.

[35] EAN International is a worldwide body of more than 1.2 million members, companies from 98 countries, that issues "bar codes" for all products traded nationally and internationally.

[36] *Report of the Fourth World Conference on Women, Beijing, 4-15 September 1995* (United Nations publication, Sales No. E.96.IV.13), chap. I, resolution 1, annex II.

[37] See *Official Records of the Economic and Social Council, 1997, Supplement No. 18* (E/1997/38), chap. IV.

[38] Ibid., *1996, Supplement No. 17* (E/1996/37), chap. III, sect. F.